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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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Political & Social

Further on Jiang Zemin's 21 Dec Interview

HK2212153689 Hong Kong WEN WEI PO
in Chinese 22 Dec 89 p 3

[“Excerpts” of General Secretary Jiang Zemin’s and Politburo member Li Ruihuan’s remarks at an interview with Hong Kong reporters on 21 December at Zhongnanhai]

[Text] Jiang Zemin: After 4 June, the world seemed to condemn and sanction China. As a Chinese saying goes, “though peace reigns over the land, some stupid people are worried about troubles of their own imagining.” This is an internal affair of our own country. For quite a while there have been distorted reports on the Tiananmen incident. Some hostile forces in the world have played a role in aggravating the storm. Of course, there are also some problems in our work, such as corruption. But this should not lead to the negation of the CPC. Several months have passed and now people have gradually understood the facts. China is a large country. It has registered great developments in industry, agriculture, science, technology, and other fields. So China is not easy to be swayed by others. There is some relaxation in Western countries’ relations with China. We have always adhered to the Five Principles of Peaceful Coexistence in our relations with foreign countries. We do not export revolution, nor we allow other countries to alter our socialist orientation.

Comrade Deng Xiaoping proposed the scientific concept of one country, two systems. Based on this spirit, China and Britain signed a joint declaration on the Hong Kong issue. After 1997, Hong Kong will continue to practice capitalism and the mainland will continue to practice socialism. Well water will not intrude into river water, nor will river water intrude into well water. Hong Kong is our territory. We can practice two systems in one country. Countries with different systems can absolutely develop their relations on the basis of the Five Principles of Peaceful Coexistence. Relations will develop as long as we seek common ground and reserve differences.

Eastern Europe is composed of socialist countries. The situation in Eastern Europe can only arouse our concern. But the people of these countries will decide which road to take. We never interfere in others’ affairs. As far as our wish is concerned, we hope they will continue to take the socialist road after turmoil. With regard to the impact of the situation in Eastern Europe on our country, I think our situation is different from theirs. First, our party is a party armed with Marxism-Leninism-Mao Zedong Thought, a party that has grown in the course of protracted armed struggle, a party that maintains flesh-and-blood relations with the people, and a great party with combat worthiness. Our party was not influenced by the social democracy of the Second International. Second, our army has undergone the test of a prolonged revolutionary war and proved itself to be an Army with

combat effectiveness. It is armed with Marxism-Leninism-Mao Zedong Thought, has strict discipline, and is under absolute leadership of the party. Third, the founding of our country was realized through self-liberation by our own Army. Our country is different from Eastern Europe, which was liberated by the Soviet Red Army. Fourth, our country is different from Eastern Europe in terms of cultural and historical traditions and geological relations. In history, the Chinese nation never yielded to any foreign powers. Before the war of resistance against Japanese aggression, China was called the sickman of the East and described as a sheet of loose sand. The war of resistance against Japanese aggression united the 400 million compatriots as one. No foreign pressure can subjugate China. Most of our neighboring countries are friendly countries. We are not surrounded by capitalism. Fifth, our party has combined the basic theory of Marxism with China’s specific conditions, thereby producing Mao Zedong Thought. Now Comrade Deng Xiaoping has inherited and developed Mao Zedong Thought. We cannot say that the situation in Eastern Europe will not impact on China. We should pay attention to this, but we can say confidently that we will continue to advance along the socialist road because we have the aforementioned strong points.

On the domestic situation, our party has held its fifth plenary session and the situation of stability and unity is becoming increasingly consolidated. Since 4 June, all provinces and cities have taken some measures and worked out some policies to handle some problems remaining from the 4 June incident. With the exception of those who have violated criminal law, most of the demonstrators and hunger strikers have been given education to improve their understanding. The seven measures for running clean administration are being put into effect. Redundant companies in the circulation field are being screened.

On freedom of the press, I am always of the opinion that there is no absolute freedom of the press in the world. Press agencies in any countries are always supported by the financial groups of these countries and must follow the intentions of these groups. No one is willing to employ others to rebuke himself. In a socialist country, press reports should first guide people in exerting themselves rather than discouraging them. Newspapers can conduct criticism, but should propose measures for improvement. They should not just expose and criticize the dark side of society because this could make everyone feel dejected.

Now we are paying close attention to party building, particularly to strengthening party leadership in factories and enterprises. This does not contradict the factory director responsibility system. Production will be guided by factory directors whereas political, ideological, and organizational work will proceed under party leadership.

On political structural reform, not long ago some people said that the Soviet Union introduced political structural reform ahead of economic structural reform, whereas

China carried out economic structural reform ahead of political structural reform. In my opinion, it is difficult to say which should come first, which should come later. They should complement each other, and several reform activities should proceed simultaneously. It is inappropriate to say that China is not introducing political structural reform. For example, the factory director responsibility system under the leadership of party committees has been changed into the factory director responsibility system; party leadership has been separated from the administration of government; the party no longer monopolizes administrative affairs; the multi-party cooperative system is being improved; some members of democratic parties have taken up leadership posts in government departments; one of the vice ministers of the Ministry of Supervision is a Democrat; and many of the section chiefs are not CPC members.

On the question of martial law, the understanding of foreign countries is different from ours. Our purpose is to maintain social order, to deal to the dregs of society, to impose a deterrent force on them, to help stabilize security, and not to deal with the students. I told the U.S. special envoy, we will lift the martial law according to the international and domestic situation. We will lift it when the conditions are mature. This is our internal affair and is something within our sovereignty. It cannot be taken as a precondition for improving Sino-American relations. The Fang Lizhi case has a big impact on the country. Fang Lizhi and his wife controlled the 4 June incident from behind the scenes and instigated the students against the government. They did not just express their views, but took action, and this violated our state law. We say it is wrong for the United States to protect them. This problem should be handled according to a proper method. Fang Lizhi must show a very good attitude of remorse, otherwise how can this problem be solved?

Hong Kong and the mainland have common interests. A stable political situation and prosperous economy on the mainland will benefit Hong Kong. Hong Kong's prosperity and stability conform with Chinese and British interests and with Hong Kong's own interests as well. This is so before 1997 and will continue to be so after 1997. Now some people in Hong Kong have been too eager for democratization. They should think whether democratization will benefit Hong Kong if it is realized too early. Do not lift a rock to drop it on your own toes. Everything that is done must be beneficial to Hong Kong's stability. For example, the construction of basic facilities must be carried out according to specific conditions. When I was in Shanghai, I carried out urban construction according to the city's financial resources. It is necessary to do things in a scientific way and to make a feasibility study. I was engaged in scientific and technological work before, so I now always stress the importance of a feasibility study. In the final analysis, Hong Kong and the mainland have flesh-and-blood relations. I told the British that the Hong Kong issue is an issue between both sides, and a third party should not be allowed to meddle in it.

Li Ruihuan: I feel that foreigners pay more attention to our political structural reform than to economic structural reform. As I see it, economic structural reform is the basis of political structural reform, and political structural reform is a guarantee for economic structural reform. The deepening of economic structural reform is bound to necessitate political structural reform. Some reform measures fall into the category of both economic and political structural reforms. Take the factory director responsibility system as an example. It is an economic structural reform measure and, in a sense, is a political structural reform measure as well.

Democracy is a target, a means, and also a process. The degree of democracy is determined by the development level of the economy, the degree of civilization, and the country's ability to control and regulate the economy. Democracy will give rise to problems if it is practiced in disregard of the level of economy and the degree of civilization. Democracy will lead to anarchism if it is practiced without consideration to the relevant conditions. There have been many disturbances in China in the last 100 years, and the masses have endured much suffering. So there should be no more turmoil in our country. For the sake of the people, we should take a cautious and appropriate attitude.

Recently we ran a study course for responsible persons of party newspapers. I spoke on 12 questions under the title "Adhere to the Principle of Giving Positive Publicity." This is a publicity method of socialist newspapers and represents the party spirit of press reports. We will not impose this socialist method of the mainland on Hong Kong.

(Some people mentioned the arrests of intellectuals. Jiang Zenmin said they should not be referred to as intellectuals in general terms. Most of them who took part in demonstrations and hunger strikes were educated. A small number of schemers were handled by public security departments because they violated the law.)

They account for a small number, only about a dozen to 20.

Some people did not know the facts and said something excessive. We do not deny that their intention was good and kind. We will solicit opinions and improve our work. This will enable us to do our work better.

It is not strange that we have dealt with a dozen or so people in such great turmoil. People who are concerned about China's development should proceed from how to preserve China's international position when considering problems rather than focusing their attention on these dozen or so people.

Jiang: I am opposed to Taiwan's independence. After the country's reunification, Taiwan may continue to practice capitalism but not declare its independence.

Zou Jiahua Honors Enterprises, Managers

OW0901044590 Beijing XINHUA in English
0211 GMT 9 Jan 90

[Text] Beijing, January 8 (XINHUA)—China's Ministry of the Machine-Building and Electronics Industries (MMBEI) held a meeting here today to honor 45 outstanding enterprises and 54 model managers.

Zou Jiahua, state councillor and minister in charge of the State Planning Commission, and He Guangyuan, minister of the MMBEI, bestowed the medals at the ceremony.

The prize winners, who came from China's machine-building, electronics and automotive industries as well as from machinery and electronics manufacturers of the railways, textiles, metallurgy, coal and light industry ministries, have made great contributions in promoting modern management and technological advances, and in earning foreign currency through increased exports.

Planning Commissioner Zou Jiahua Profiled

OW2612222189 Beijing XINHUA in English
1251 GMT 26 Dec 89

[Text] Beijing, December 26 (XINHUA)—The National People's Congress (NPC) Standing Committee today appointed State Councillor Zou Jiahua concurrently minister in charge of the State Planning Commission.

The 11th Meeting of the Seventh NPC Standing Committee, which closed here this afternoon, also agreed to remove Vice-Premier Yao Yilin from his post of minister in charge of the State Planning Commission and Zou Jiahua from his post of minister of Machine-Building and Electronics Industry.

Premier Li Peng said in a motion to the NPC Standing Committee that the reason not to let Yao Yilin continue serving as minister in charge of the State Planning Commission is to enable him to concentrate his energy in helping the premier with the work of the State Council.

The 63-year-old Zou is a native of Shanghai. He has a college background and is senior engineer. He began to work in 1944 and joined the Communist Party of China (CPC) in 1945. He is now a member of the 13th Central Committee of the CPC.

In 1948, Zou began to study the Russian language at the Harbin Polytechnical University and was later sent to Moscow to study machine-building. He returned to China upon his graduation in 1955.

In 1964, he became director of the Machine Tool Research Institute under the No 1 Ministry of Machine-Building Industry. In 1973, he served as deputy director of a State Council office in charge of the National Defense Industry.

After 1985, he served as minister of Ordnance Industry and minister in charge of State Machine-Building Industry Commission. He became a state councillor and minister of Machine-Building and Electronics Industry in 1988.

Ren Jianxin Urges Study of Marxism-Leninism

OW0501085990 Beijing XINHUA in English
0824 GMT 5 Jan 90

[Text] Beijing, January 5 (XINHUA)—All Chinese judges should make efforts to study Marxist-Leninist theories on the state and law, as well as the late Chairman Mao's writings on the people's democratic dictatorship, China's top judge, Ren Jianxin, said here today.

All judges in China should be armed with Marxism-Leninism and Mao Zedong Thought, he told a national conference on judicial work, which started here Thursday.

Ren, president of the Supreme People's Court, also advised the judges to promote the concept of class struggle and the people's democratic dictatorship.

Hostile foreign forces continue to try to subjugate China and the domestic class struggle is still alive, he explained. Therefore, it will be a long-term and complicated job to fight anti-revolutionary and other major criminals.

All judges should be impartial and incorruptible, he said, and they should always bear in mind the principle of seeking truth from facts and serving the people heart and soul.

Report Discusses Mao Zedong's Parents

HK1401060690 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1003 GMT 12 Jan 90

["The Parents of Mao Zedong"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 12 Jan (ZHONGGUO TONGXUN SHE)—Recently, the newspapers here revealed the unknown history of the parents of Mao Zedong; allegedly, Mao Zedong's father, Mao Shunsheng, [3029 7311 3932] was a Chinese peasant who knew how to make a fortune, and who had worked in the fields throughout his life, while also doing some business. Mao Zedong's mother, Wen Qimei [2429 0003 1188], was a good-hearted person who believed in Buddhism, committed to charity and always helped other people.

Mao Shunsheng worked hard with his family, cut expenditure, and saved up whatever could be saved; no one in the family was free from chores, as the younger sons must do some light tasks such as cutting greenfeed for pigs, while the elder ones must work in the field, thus, bit by bit, affluence came to the family, which transformed itself from an ordinary rural household into a rich one in Shaoshanchong.

Other than ploughing the field, Mao Shunsheng also did some business; he was the shareholder of a certain rice shop, drug store and grocery shop near Shaoshanchong.

Earning quite a good income, Mao Shunsheng knew exactly how to accumulate for reproduction. He was hard working, tough, and had a hot temper. He worked very hard himself, and had strict demands for his children.

Mao Shunsheng was very strong, even though he was not very tall. But years of hard labor made him weak before his time. Mao Zedong was tall and robust, however, and full of stamina. Mao Shunsheng sent him to a private tutor's school to study, and this was a clever move among the people who lived in the hills. He was doing so because, on the one hand, his father-in-law's family had many learned persons, and on the other hand he himself had not studied much; as a result he lost in a legal case concerning a hill for cutting wood. He thought he had reasons but could not express them, so he wanted his son to have some education and win honor for him. This ordinary action of a peasant had unexpectedly affected the process of Chinese history.

Mao Zedong's mother Wen Qimei was of medium height. She was pretty and sedate, engaged to Mao Shunsheng when she was 13, and married to him when she reached 18. After the marriage, she gave birth to two sons, who died young. In 1893, she gave birth to the third son, Mao Zedong, whom she loved very much. To prevent another premature death, she kowtowed to Buddha and burned incense in the hope of securing blessing from the deities, and from then on she started eating "vegetarian food." Under the influence of his mother, the young Mao Zedong at home also worshipped the heavens and ancestors.

Mao Zedong loved his mother very much. At the age of 26, he and his two younger brothers took their mother to Changsha for treatment of illness, and they took a photo together; that was the only photo taken of Mao Zedong's mother throughout her life. When Mao Zedong was busy with the oust-Zhang campaign in Changsha, his mother died in Shaoshan. Mao Zedong rushed back to Shaoshan, and in the dim light of an oil lamp, stayed beside the coffin for several days; he also wrote a moving article entitled "Elegy to my Mother."

Misfortunes never come singly. Mao Shunsheng died from typhoid fever half a year later after his wife died; at that moment, Mao Zedong was busy with organizing the "oust-Zhang delegation" to Beijing, and was not able to return home for the funeral service.

New Collection of Deng's Writings Published

OW03010914/0 Beijing XINHUA in English 0840 GMT
3 Jan 90

[Text] Beijing, January 3 (XINHUA)—A book entitled "Deng Xiaoping on Party Construction" will soon be published by the People's Publishing House.

The publishing of the book is aimed at helping members of the Communist Party of China (CPC) and cadres in their political study and implementing the guidelines of the fourth and fifth plenary sessions of the 13th Central Committee of the CPC as well as strengthening party construction.

Edited by a library of the General Office of the CPC Central Committee, the book consists of 39 documents, speeches and conversations authored by Deng on correct understanding of the theory of party construction put forward by the late Chairman Mao Zedong, and on restoring and carrying forward the good tradition and style of the party. It also discusses some concepts of improving political system reform and strengthening party discipline.

Deng Xiaoping Writes Title of Photo Album

OW0701074790 Beijing XINHUA Domestic Service
in Chinese 0838 GMT 6 Jan 90

[By reporter Li Guangru (2621 0342 5423)]

[Text] Beijing, 6 Jan (XINHUA)—"The Eternal Days," an album of news photographs describing the 40-year history of the republic, was introduced to readers at the Great Hall of the People today.

Comrade Deng Xiaoping wrote the album title with a brush.

The album is compiled by the XINHUA Department of Journalistic Photography and the Jilin Education Publishing House. The 330 pictures in the album are selected from among tens of thousands of news pictures, many of which are rare pictures with artistic as well as journalistic value. Readers can see from them that, in a unique manner, journalistic photography can clearly catch and forever preserve the "moments" which may otherwise be gone forever.

The album can be called a pictorial as well as textual history of the republic. Grouping the pictures according to the historical stages of the republic, editors of the album endeavor to show the basic course of New China during the last 40 years. In addition to providing a brief and precise description of each of the historical stages, they also truthfully describe the basic features of various historical stages with Chinese and English captions.

Lei Jieqiong, Wang Hanbin, Gu Mu, Mu Qing, Wang Qianghua, and other comrades were present at the debut of the album today.

Deng Xiaoping Writes Student Newspaper Banner

OW0501070390 Beijing XINHUA Domestic Service
in Chinese 0700 GMT 4 Jan 89

[Text] Beijing, 4 Jan (XINHUA)—The "ZHONGGUO CHU ZHONG SHENG BAO" [0022 0948 0443 0022 3932 1032, THE CHINESE JUNIOR MIDDLE

SCHOOL STUDENTS NEWS], whose banner was written by Comrade Deng Xiaoping, was published in Beijing today.

The newspaper is the new version of the "ZHONGGUO SHAO NIAN BAO CHU ZHONG BAN" [0022 0948 1421 1628 1032 0443 0022 3652, The Junior Middle School Edition of the ZHONGGUO SHAO NIAN BAO].

It was learned that the tasks of the new version of the Junior Middle School Edition of the ZHONGGUO SHAO NIAN BAO were to convey the party's voice and to report all localities' "Three Ardent Loves" activities and those to learn from young hero Lai Ning. It will make efforts to expand news coverage, increase reports of an ideological and educational nature, make its reports more interesting, and provide better service to readers.

Yan Jici, Liao Hansheng, and Chen Muhua, all vice chairmen of the Standing Committee of the National People's Congress, attended today's meeting to mark the publication of the newspaper, and presented banners and prizes to winners and organizers of the Educational Quiz on the 40 Years of the Republic.

Article Studies Deng Writings on Literature, Art

OW0601065790 Shanghai WEN HUI BAO
in Chinese 12 Dec 89 p 4

[Article by Hu Huilin (5170 1920 2651): "The Inheritance and Development of the Marxist Theory of Literature and Art—Reading 'Deng Xiaoping on Literature and Art'"]

[Excerpts] "Deng Xiaoping on Literature and Art" has been published. Deng Xiaoping's exposition on the question of literature and art is quite abundant. He proposed many strategic ideas and important topics regarding socialist literature and art development in the new period. The most important task today in this area is how to study Deng Xiaoping's exposition on this question, how to completely and correctly understand and grasp its guidelines and contents as a whole, and how to apply it to practical literary and art work. This article will propose some tentative ideas with regard to such a task.

1. Deng Xiaoping's exposition on the question of literature and art is not an isolated theoretical one. Its birth, formulation, and development all indicate that it is an important component of Deng Xiaoping's theory on building socialism with Chinese characteristics. In strategic ideology, we must first place and then see it within the larger structure of "one center, two basic points." Although literature and art are not primarily economic in nature, the production, consumption, and marketing of literature and art, whether as social ideology or as a tertiary industry in society, will inevitably forge relations that exhibit economic behavior. On the one hand, economic ideas and economic policy influence the ideology,

policy, behavior, and developing trend of literature and art. The social effect and trend of literature and art, on the other hand, will also tremendously affect the economy. The core of economic development is to develop productive forces. The thriving and development of literature and art rely directly on the productive forces of literature and art. Whether in the past, present, or future, the question of the productive forces of literature and art was, is, and will always be at the core of the development of socialist literature and art. [passage omitted]

2. Deng Xiaoping's exposition on the question of literature and art is an important aspect of his theory on developing socialist ideology. When we study Deng Xiaoping's writings on this question, we must not divorce ourselves from his theory on the development of socialist ideology. His exposition on seeking truth from facts, emancipating the mind, "two whatevers" not conforming to Marxist theory, upholding the four cardinal principles, opposing bourgeois liberalization, and developing a socialist spiritual civilization, as well as his writings on ideological construction being the foundation of party building and on the question of leadership over the ideological front, are all of particularly important guiding significance. Literature and art belong to ideology and are one of the important aspects of spiritual civilization and the ideological front. The form as well as the content of literature and art are under the tremendous influence of other ideological departments. Of these, the influence of philosophy and politics is the strongest. [passage omitted]

3. Deng Xiaoping's writings on the question of literature and art are the key link for socialist literary and art work in the new period and are closely related to the party's leadership over and policy on literature and art in the new period. The party's practical experience of leading literature and art for the past 10 years indicates that the readjustment and development of the policy on literature and art means the rich development and concrete practice of Deng Xiaoping's thought on this matter. In addition, Deng Xiaoping's writings on the question of literature and art were born, formulated, and have guided literary and art work at a time when China's socialist literature and art suffered great calamities and urgently needed to take the road of prosperous development again. Furthermore, his exposition has continuously been replenished and developed along with the development of literature and art in the new period. Deng Xiaoping's writings on the question of literature and art not only act as a guide for our literary and art work today and in the future, but are also a summing-up and development of the party's leadership over and policy on literature and art in the past. His writings have developed while closely integrating the concrete practice of socialist literary and art work in the new period. Each important stage of literature and art in the new period has been closely related to Deng Xiaoping's exposition on literature and art. Therefore, to study Deng Xiaoping's writings on literature and art, we must integrate our

study with the party's leadership over literature and art in new China for the past 40 years, particularly in the new period covering the last 10 years. [passage omitted]

4. Deng Xiaoping's exposition on the question of literature and art is an important component of Mao Zedong's thought on the subject. It is a further development of Mao Zedong's thought on literature and art in the new period of socialist construction. When we study Deng Xiaoping's writings on this question, we must integrate this effort with our study and understanding of Mao Zedong's thought on literature and art. We must integrate Mao Zedong's ideological system on literature and art with all of Deng Xiaoping's writings on this question, thereby gaining an understanding of its guidelines and the knowledge of which guidelines have been upheld, which have been corrected, and which have been developed. We must sum up accordingly, in a scientific way, the new achievements and new theories supplied by Deng Xiaoping's writings on the question of literature and art to Mao Zedong's ideological system on literature and art. We must try to discover his new contributions to the Marxist theory of literature and art by looking at the Marxist ideological system on literature and art, which is a still greater theoretical system. This is a historical inspection of our theoretical development. This inspection not only can provide us with an intact system of the historical movement of our theoretical development, but can also help us comprehensively understand and grasp, completely and correctly, the Marxist essence of Deng Xiaoping's writings on the question of literature and art.

'Senior' Police Officer on Fighting Six Vices

OW0201073190 Beijing XINHUA in English
0646 GMT 2 Jan 90

[Text] Beijing, January 2 (XINHUA)—China will not allow outside triad societies to extend their organizations and criminal activities into the country, a senior Chinese police officer stated.

Liu Wen, director of the Criminal Investigation Department under the Ministry of Public Security, said that mainland police will take stern counter-measures to curb the expansion of triad societies in line with the following three principles.

One, they can not set up their organizations in the mainland.

Second, they can not take the mainland as a harbor to evade punishment.

Third, they cannot commit any crime in the mainland.

"Triad society members found in China's coastal regions are mainly from Hong Kong, Macao, Taiwan and some foreign countries," Liu said.

Liu said that some of them might have come to the mainland to escape close hunt and punishment from Hong Kong and Taiwan.

Liu said, "We must get rid of such triad societies as early as possible to prevent them from spreading."

Triad society and criminal gangs of a similar nature have been included in the crackdown list in the coastal province of Guangdong in addition to "six vices," namely prostitution, pornography, trading in women and children, drug, gambling and profiting by the use of superstition.

According to the Ministry of Public Security, the national campaign against "six vices" has scored big results after "concentrated operations."

Wang Jingrong, the ministry spokesman said that from mid-November to mid-December, police have dealt with more than 140,000 six-vices-related cases.

He said police have arrested 2,500 people involved in "six vices" and sent about 2,200 to reeducation-through-labor camps.

Official on Promulgation of Environmental Law

OW0501111490 Beijing XINHUA Domestic Service
in Chinese 1544 GMT 27 Dec 89

[By reporters Gu Honghong (7357 3163 3163) and Yang Zhaobo (2799 0340 3134)]

[Text] Beijing, 27 Dec (XINHUA)—After having been implemented on a trial basis for a period of 10 years, the "PRC Environmental Protection Law" was formally promulgated for implementation on 27 December. At a news conference on this topic, Qu Geping, director of the State Environmental Protection Bureau, said that the official promulgation of the environmental protection law provides an important legal basis for implementation of environmental protection, which is a basic policy of the state, as well as improvement in the control and administration of the environment in our country.

Qu Geping focused on a briefing of the changes between the newly promulgated environmental protection law and the original environmental protection, implemented on a trial basis.

Qu said: The newly-promulgated environmental protection law: makes up for the inadequacy of ambiguity in the relationship between the administrative department responsible for environmental protection and the department exercising the authority of supervision and control of environmental protection; draws up clear and specific regulations governing the system of administration and control of environmental protection; rationalizes the relationship between the administrative department responsible for environmental protection, other departments exercising the authority of supervision and control of environmental protection, and the department in charge of resources administration in the people's government at and above county level; and clearly defines their respective duties. This is a big improvement in the legislation of a law for environmental protection.

The newly-promulgated environmental protection law highlights the function of the administrative department responsible for environmental protection in conducting unified supervision and control over the work of environmental protection, thus making its duties more explicit and specific and its measures for supervision and control more legally authoritative.

In addition, the newly-promulgated environmental protection law sums up the good, mature systems and measures which have emerged in practice and turns them into legal standards. At the same time, more detailed and specific regulations for the legal responsibilities contained in the environmental protection law have been drawn up to make the law easier to enforce.

Qu Geping emphasized that as far as the environmental protection department is concerned, it is bound by duty to strictly enforce the law now that it has been promulgated, and that it will handle its job according to the law to truly shoulder the sacred duties invested in it by law.

Public Security Organs Release Film on Gambling

OW1001014990 Beijing XINHUA in English
1248 GMT 9 Jan 90

[Text] Beijing, January 9 (XINHUA)—A telefilm on the history of gambling was recently produced in China and released nationwide, a senior policeman said here today.

The film also reveals how rampant gambling is in the current capitalist world and the worries it has brought to China in recent years, he said.

The film, "Black Swirls", was jointly produced by the Public Order Administration Bureau under the Ministry of Public Security and the Guangzhou Broadcasting and Television Company.

Analysing typical cases, the film tries to explain the social background and psychology of this social vice, according to Li Jizhou, director of the bureau.

The film also aims at letting its audience understand the harmfulness of gambling and the necessity of prohibiting the practice, the director added.

According to him, more than 260,000 cases of gambling were dealt with in China in the first 11 months of last year.

Planning Law Aims To Preserve Historic Sites

OW0801040390 Beijing XINHUA in English
0254 GMT 8 Jan 90

[Text] Beijing, January 8 (XINHUA)—The Urban Planning Law, effective on April 1, marks a turn in China's urban development, Lin Hanxiong, minister of construction, said in today's "CHINA DAILY".

Lin said that the law will prevent the chaos, waste and damage in urban construction in the past.

The planning law, China's first, was approved late last December by the National People's Congress Standing Committee after 10 years' debate.

Urban construction started its boom in the 1950s, was stopped during the "Cultural Revolution" from 1966 to 1976, and erupted again during the past decade.

Despite remarkable achievements, lack of authoritative general planning drove many local departments to build and demolish buildings and underground facilities at will, resulting in the destruction of many natural scenes and historic relics in metropolitan areas.

According to Zheng Xiaoxie, chief engineer of the Urban Planning Department of the ministry, skyscrapers were planted near historic or natural sites contrary to state programs.

The law will also prevent officials from approving urban projects which would be aesthetically or financially unsuitable.

During the construction boom, luxurious hotels and office towers mushroomed with no more than "leaders' notes" for approvals. The central government expanded much effort on cutting down these projects.

Now, the leaders must obey the law. Otherwise they will be fined or sued. The law stipulates that the construction of any city project must conform to the city plan which is created by government at county through central levels.

Before the opening of any urban project, written approval for the site, land use and construction from related government departments is necessary. Violators will see their projects confiscated and themselves fined, disciplined or sued.

The covered areas, according to the law, include urban neighborhoods, suburbs and other areas near cities and towns that are under the jurisdiction of local urban government and are regarded as necessary for urban development.

Latest information from the ministry shows that the country now has 450 cities and more than 11,000 towns.

The law stipulates that the country will tightly control the expansion of large cities but properly develop medium and small sized cities. The country encouraged the leap of medium and small cities over the past decade.

According to the law, cities with a population of 500,000 or more are rated as large. Medium-sized cities have a population of 200,000 or more but less than 500,000. And small cities have less than 200,000 people.

Government To Establish Software Regulations

OW0701133090 Beijing XINHUA in English
1251 GMT 7 Jan 90

[Text] Beijing, January 7 (XINHUA)—China's first computer software protection regulations are scheduled to go into effect early this year, "CHINA DAILY" reported today.

The regulations will include articles banning the illegal copying and selling of the software invented by foreigners, other Chinese businesses and experts, the paper said.

The drafting of the regulations, started in 1986, has just been finished. The rules have been submitted to the State Council for approval, the paper quoted Wang Qinsheng, an official of the Ministry of Machinery and Electronic Industries, as saying.

Wang expects approval within three months. He said the regulations are similar to most foreign countries' copyright laws.

According to the regulations, all software sold in China will have to be registered. Otherwise those who create the software will not have the right to sue those who copy it.

Wang said the regulations will be the first step in offering legal protection and completes the preparatory work for the final drafting of the software copyright law.

The regulations are expected to have great impact on stirring the initiative of researchers and promoting the development of the Chinese software industry, Wang said.

There are only about 35,000 people working in the software industry in China, while the figure in the United States is close to one million.

During the Eighth Five-Year-Plan (1991-95), China hopes its annual output value of software will reach 268 million U.S. dollars and about 50 million U.S. dollars worth of the products is set to be exported every year, according to Li Yie, head of the ministry's computer bureau.

Democracy, Legal System Concepts Need 'Improving'

HK1101010390 Beijing RENMIN RIBAO in Chinese
5 Jan 90 p 6

[Article by Zhang Zhicheng (1728 1807 6134), Gao Hua (7559 5478), and Wang Lasheng (3769 5198 3932): "Enhance the Democratic Sense and Strengthen the Concept of Legal System"]

[Text] The term democracy carries profound meaning, part of which is the kind of consciousness and concept we have of democracy. Democracy as an ideology is intimately bound up with law and legal concepts.

With the help of strengthened legal concepts, democratic consciousness can promote a healthy mind and opinion environment among the whole of the people, and thereby lay an intellectual ground for building a high level of socialist democracy. The democratic concept and legal consciousness are mutually related and interacting. On the one hand, the advance of the democratic concept can foster a consciousness of law and legal concepts among people. The socialist legal system is based on socialist democracy, and many legal principles are derived from democratic concepts; for instance the legal principles such as "law does not favor the rich," "criminal code recognizes no class distinctions," "everyone is equal before the law" and "rights and obligations are unified," all of which embody the socialist democratic concept. On the other hand one of the important items in democratic building is strengthening people's legal consciousness and the concept of legal system. This can ensure and promote the building of socialist democracy. The concept of legal system refers to people's basic views and attitude toward the legal system, which include the value concept of a society of law, the evaluation on the rationality of human actions, and knowledge and training in law. Without a correct legal concept, there can be no conscious observance, employment and protection of the law. Therefore strengthening the legal concept of the whole people becomes an important element for guaranteeing the implementation of law and beefing up the building of socialist democracy and legal system.

Socialist law embodies the interests and will of the overwhelming majority of the people and is formulated under the guidance of Marxism. It can coordinate people's social activities according to objective regularities, regulate various kinds of social relationships, resolve various kinds of social contradictions through democratic channels and due process of law, and ensure and promote a healthy development of socialist democracy.

We cannot help observing that, in today's China, strengthening the democratic and legal concept among the whole of the people has become a very urgent task. The "10 years of turmoil" and the disturbance that occurred between last spring and summer were no accident. One of the important causes is that not many people understood democracy and many lacked legal knowledge and the concept of the legal system. One strange phenomenon frequently seen in the student movement was: some students were marching on the street chanting "we want democracy" but, when asked what democracy was, failed to give a coherent answer. Some other young students said: "I did not want to go. But so many were joining, and I felt embarrassed not to." It is learned that there were quite a large number of students who joined the march out of this blind following and the feeling that somehow "emotions are above the law." Practice has proved that "legal illiterates" will necessarily be blind and woolly-minded in politics.

One of the important root causes for social turmoil and instability has been a weak civic and legal sense. China is

a country which has gone through thousands of years of feudal rule and on its soil are vast numbers of small producers and anarchists. With their social status, small producers and petit bourgeoisie are prone to extreme democratization and anarchic states, a trait which history has showed up many times. A very small number of political conspirators have wantonly propagandized the Western "pure democracy" and "heaven of freedom" and, cashing in on some of the imperfections in our system and errors in our work, attacked and negated the four cardinal principles, deliberately fomented anarchism, trampled on the legal system, damaged democracy, and attempted to build a Western bourgeois republic. Our citizens, not armed with a sufficient sense of legal system, and lacking a clear understanding of the scientific meaning of democracy, have not been guarded by a conscious observance of law, and, when seeing illegal actions, have failed to stop them. Some have drifted along the tides and, consciously or unconsciously, participated in illegal acts, doing something pleasing to one's enemies but painful to one's own friends. This is an important root cause for the tragedy.

The ancient people said: "There is no permanent law and order, nor permanent chaos. The key here is law: when it is observed the country is in order, if not, chaos." (Wang Fu in Han Dynasty: "Theories by An Anonymous Person—On Reprieve") This means that the political situation in a country changes all the time. When the exercise of the law is unimpeded, the country is calm and stable, but if the legal system is lax turmoil will occur.

Therefore, only by improving the legal literacy of the whole people, strengthening their legal sense, clarifying the relationships between democracy and legal system, rights and obligations, and freedom and discipline, can the building of socialist democracy have a reliable guarantee and correct direction. Of course, the socialist democratic system in our country is not sufficiently perfect, the socialist legal system is not complete, and the people's democratic rights, in many respects, are hamstrung to various degree by economic, cultural, and institutional inadequacies. This can only be resolved through gradually correcting and improving the systems and through appropriate legal processes.

Rules Planned for Water Conservancy Resettlement

HK0501100590 Beijing CHINA DAILY in English
4 Jan 90 p 1

[By staff reporter Liang Chao]

[Text] China is planning to issue a special regulation to further improve its resettlement programme for rural residents, who have to be evacuated from the construction sites of reservoirs and hydropower stations.

The regulation, the first of its kind in China, is aimed at solving the country's problem of the large number of people who are forced to evacuate from construction areas of water conservancy and hydropower projects, an official with the Ministry of Water Resources said.

Zhao Renxiang, director of the ministry's resettlement office, told CHINA DAILY that the regulation has already been worked out and submitted to the Law Bureau under the State Council.

It is expected to be discussed by the State Council this year, Zhao said.

More than 10 million people have been evacuated during China's construction of more than 86,000 water conservancy projects since the last 1950's.

Since then, the resettlement problem has been a chronic headache for government for many years.

It was once one of the causes of unstable social problems in a few local areas because many of the evacuees have always lived below the country's poverty level. They sacrificed greatly by leaving their home towns and giving up personal interests during the construction.

According to the latest statistics from the Ministry of Water Resources, 30 or 40 percent of the evacuees are still impoverished, lacking enough food and clothing.

At present, Zhao noted, "the legacy has already become a major factor restricting the country's construction water conservancy projects."

So, Zhao said, proposed projects of reservoirs or hydropower plants without a carefully made resettlement plan will not be approved by the State under the new regulations.

Instead of simply compensating farmers for their losses as in the past, the regulation suggested, the resettlement will be carried out through combining early compensation before construction with late production aid when projects are completed.

Furthermore, the State aid of rebuilding new villages and helping production development for the evacuees will last for five or 10 years until the whole relocation plan is completed.

Evacuees who were involved in agriculture before the relocation are allowed to be changed into non-agriculture population if they could not be resettled in the localities through redistributing local farmland and other existing concerned natural resources.

But, the regulations bans any attempts by evacuees who have been resettled by the State to return their original homelands.

Meanwhile, the regulations ensures resettled people can enjoy a cheaper electricity after the construction has been completed.

It also promised that the interests of the people who are forced to migrate will be given special consideration as the State arranges its special funds or loans.

Workers Concerned About Clean Government

HK0501134190 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0629 GMT 4 Jan 90

1 Questionnaire Shows Chinese Employees Are Concerned About Clean Government"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 4 Jan (ZHONGGUO TONGXUN SHE)—Recently, a questionnaire poll on the social problems the masses are most concerned about was carried out among 2,075 employees in 12 Chinese cities. It shows that the most urgent social problem to solve at present is the building of a clean government and the elimination of corruption and other unhealthy tendencies.

The questionnaire was conducted by the Institute of Women under the Management Science Research Institute in the following 12 cities: Beijing, Shanghai, Guangzhou, Zhanjiang, Huizhou, Zhuzhou, Yancheng, Zhenjiang, Chengdu, Chongqing, Wuhan, and Shenyang.

During the poll, most employees, male and female, regarded the building of a clean government and the elimination of corruption and other unhealthy tendencies as the most urgent social problem to solve. The proportion of male employees holding this view was higher than that of the female employees, which was 84.8 percent, while the latter was 79.6 percent. Judging from their ages, the male employees ranging from 46 to 55 were most concerned about this problem. Those holding this view constituted 86.8 percent of the male employees of this group. Of the female employees, those who were most concerned about this problem were between the age of 17 and 25 and between 46 and 55.

Judging from their educational level, the poll shows that the higher their educational level, the more they were concerned about this social problem. This is the same for both male and female employees. Of the male employees, 87.1 percent of the college and university graduates were most concerned about this problem. Of the female employees, the percentage was 88.1, even higher than that of the male employees.

Judging from their occupations, those of higher-level occupations, especially the responsible persons of state organs, party and mass organizations, and enterprises and institutions, were more concerned about building a clean government. Of this group, 90 percent of the male and 88.6 percent of the female employees were most concerned about this problem, which were much higher than the average percentages. The second highest percentage came from the group of all kinds of professional personnel, office staff, and businessmen. This has a great deal to do with the practice on their specific posts.

The second most important social problem is the control of commodity prices. On this question, the percentage of female employees concerned was 68.2, higher than that

of the male employees, which was 65.3. This also has something to do with the fact that women are doing more chores than men.

The third problem is social security and personal safety. More male than female employees showed concern about this problem. The percentage of male employees was 17 while that of the female was 15.3. This shows that the employees are concerned about social stability and unity.

Other social problems the respondents were concerned about were: Population control, employment guarantee, and environmental pollution.

On the question of equality between the sexes and elimination of different treatments for different sexes, there was a great difference between male and female employees in understanding. Some 5.1 percent of the female employees held that this is a social problem to be solved immediately, but only 1.5 percent of male employees had shown concern about it. This shows that proceeding from their personal experience and feelings, female employees are more eager to realize true equality between the sexes.

Textile Variety, Quality To Be Stressed in 1990

OW0401075390 Beijing XINHUA in English
0637 GMT 4 Jan 90

[Text] Beijing, January 4 (XINHUA)—Wu Wenying, minister of the textile industry, has announced that in 1990 the stress will be on textile variety and quality.

Addressing a recent meeting attended by directors of provincial, municipal and autonomous regional departments of the textile industry, Wu said that the first task in the new year will be the launching of a large-scale campaign to raise the quality and increase the varieties of textile products.

She pointed out that the current varieties and quality of China's textile products do not meet the needs of the market either at home or abroad. Particularly, she added, the quality of cotton yarn and grey cloth, which are China's main textile products for export, has dropped in the past two years.

Meanwhile, the minister said, with increased supply of textile products in the domestic market, people are demanding a greater variety of choice. Therefore, she stressed, increased varieties and enhanced quality have become vitally important to the future of the textile industry.

Floating Population Exceeds 50 Million

HK0401103190 Beijing CEI Database in English
0852 GMT 4 Jan 90

[Text] Shanghai (CEI)—The floating population in China's city and rural areas averaged 50 million daily, according to the China floating population seminar held here on December 26.

Statistics by June showed that Shanghai, China's largest industrial center, led the country in the number of average daily floating population, two million; Beijing ranked second, 1.35 million; and the third was Guangzhou, one million.

The ratio of floating population to resident population was 1:3 in Guangzhou; 1:3.7 in Shanghai; and 1:5 in Beijing.

Papers submitted to the seminar summed up the characteristics of China's floating population as follows:

Most of the floating population went into big and medium-sized cities, especially coastal cities and special economic zones.

Such population comes mainly from rural areas, and the proportion has been on the rise. That indicates China's rural areas have plenty of surplus labor force.

Most of the floating population went to cities to be engaged in economic activities, especially in building industry.

Males exceeded females in the floating population who were mainly young laborers.

Most of the floating people came from nearby areas with the exception of those in big and coastal cities, who were mainly from other provinces.

Experts here hold that in the next two or three years, the increase of floating people in China will slow down due to the country's economic situation, and when the economy turns better, a new tide of population floating will surface again.

Scholars, Officials Discuss Next Reform Step

HK0501053490 Beijing *CP/NA DAILY*
in English 3 Jan 90 p 4

[By Tan Hongkai]

[Text] While the government goes to great lengths to assure that the open policy will continue, scholars as well as officials throughout the country are racking their brains for the next step of reforms.

Just as the participants of the first annual meeting of the Chinese Public Administration Society said, the question now is how, and not whether, to deepen the reforms.

The meeting, which ended not long ago in Liuzhou, Guangxi Zhuang Autonomous Region, was presided over by Chen Junsheng, State Councillor and president of the society. It focused on the reform of the nation's public administration. It attracted scholars from institutions of higher learning and other academic agencies and officials from the central and provincial governments.

Reviewing past experience and analyzing the current situation, the participants concluded that the most

imperative task currently is to set up adequate State controls over the general situation while ensuring the advance of reforms.

True, China has many things to be reformed. However, these decision-makers and researchers were well aware that reform means more than toil, and that it would be naive to pursue drastic change overnight, considering the complicated national conditions.

History

China has long been a state of highly centralized politics and economy, ever since the Qin Dynasty when Qin Shihuang reunified the Chinese nation in 221 BC. And the relations between the central and local governments have long been a deep-rooted dilemma in Chinese history.

In a sense, centralization is necessary under certain conditions. Otherwise, Qin Shihuang could not reunify the nation, and the People's Republic could not have survived during its early years which were characterized by overwhelming difficulties both within and from beyond the country.

Excessive centralization has evidently become a barrier to the nation's economic and political progress. With the launching of the reforms, the Soviet-mode administration which was adopted several decades ago seems out of date.

After the Third Plenary Session of the 11th Party Central Committee, for the first time in Chinese history, the central government offered to give some of its powers to local governments and enterprises.

Benefitting from this policy, local governments enjoyed more power in economic and socio-cultural management, some socio-cultural management, some industries which had been directly under certain ministries were turned over to local governments, major cities gained more autonomy in municipal administration, localities got more independence in foreign trade, and regional co-operation thrived.

However, the participants revealed another side of the situation. The measure has not achieved the desired results because of a lack of strategic planning beforehand. As a result, local governments have not gotten all the powers they should have, while the central government has been deprived of some essential powers that should be kept for itself.

They also noted that local governments and enterprises tend to go their own way, disregarding the interests of the State and other localities. Chen Junsheng, addressing the meeting, said that the central government suffers from sliding revenues and sometimes can hardly handle the situation because it has given away too much power.

This, according to the participants, has happened mainly because the State has neglected to establish effective

controls over the overall situation while admitting localities more and more autonomy. On the other hand, the power divisions between the central and local governments are too vague and flexible, they said.

Side-Effects

In China, the division of administrative power goes with the ever-changing policy, and not by legislation. Some policies might conflict with laws, and there may be contradictions between the different rules of various units.

In view of the side-effects of the policy, the central government has recalled some powers which had once been turned over to localities along with its year-long rectification drive. But, the participants said, this alone does not correct the vicious cycle of loosening and inflating administrative power, which is an old symptom in Chinese public administration.

The reform in administration must occur in step with reforms in other fields, according to the participants. Some people suggested that no drastic change be made in the system now or in the near future because the first steps in the reforms need to be digested and solidified and the chaos needs to be cleared away.

The participants held that China must accept certain centralization of power, considering its large territory. It is unwise to deny the necessity of power division, but it should be made clear that the division does not mean abandoning the system itself, they said.

Some participants proposed a system of "centralization with proper power division," classifying administrative powers into three categories: the exclusive powers of the central government, the exclusive powers of local governments, and common powers of both. And the division should be written into law to avoid abuses.

Other participants advocated that the key link of reform is the power divisions between the central and the provincial governments. Others advocated that the country be divided into more provinces and zones, suggesting 80 such divisions.

As to reforms at the local level, many of the participants deemed that they should be put off for a time in order not to interfere with the ongoing rectification. But, they said, this does not mean there is nothing to do in the meantime. The participants called for attention to the growth of government agencies. Along with this, they said, there are ever-increasing administrative expenditures and decreasing efficiency.

According to a report delivered at the meeting, in Anhui Province, a relatively poor area in East China, as many as 1.5 percent of the population are cadres. From 1983 to 1988, the staff in the government and Party departments in the province has increased by 44.7 percent. And the expenditure in administration has seen an annual

increase of 11.96 percent, surpassing the annual revenue increase rate of 10.7 percent.

According to another nationwide study, the staff of subsidiary agencies of the Party, the governments and some mass organizations are six times that of the agencies themselves. These agencies have been the collection centres of dismissed members during previous personnel reforms, the participants complained. It is time to tackle them seriously, they said.

Some participants remarked that every time the State has recalled powers from localities back to itself during the past four decades, it has been accompanied by swelling in the size of the State staff.

While affirming the contribution of the 198 reform in the central government and its ministries and committees, the participants complained that it had left behind a series of problems. The reform was thought to be "merely combining different units while not coordinating their functions." Some even criticized it as being no better than before.

More Foreign-Educated Doctors Return Home

OW0501083290 Beijing XINHUA Domestic Service
in Chinese 2 Jan 90

[By reporter Chen Jinwu (7115 6855 2976)]

[Text] Beijing, 3 Jan (XINHUA)—Ever since Hong Zhiliang, China's first doctor, returned home from Switzerland in 1986 for postdoctoral scientific research, centers set up at institutes and colleges in various parts of the country have received 180 foreign-educated doctors for postdoctoral research. The number of these foreign-educated doctors represents about one-third of all those engaged in postdoctoral research in the country.

The postdoctoral research program, set up by the Chinese Government about 4 years ago, shows that foreign-educated doctors can produce results quicker because of the better working environment and living conditions in these centers for nonresident researchers. Since the doctoral degree students engaged in research at these centers can flow from place to place, they have more opportunities to choose where they want to work and do not have to be restrained by what are known as "permanent, life-long assignments." Thus, these centers are playing their proper role as interim research posts for foreign-educated scholars before they commit themselves to any permanent post.

While postdoctoral research is in itself a highly appealing cause, the wish to serve the country is one of the most important reasons for the 180 scholars coming back for postdoctoral research. Wang Zhigang, winner of the best dissertation award given by the Japan Mechanical Engineering Association, declined a highly attractive offer by the Sumitomo Corporation and entered the research center at Qinghua University. Zhu Xing, the first postdoctoral scholar of the Department of Physics at Nanjing

University returned home, even though some professors in the Federal Republic of Germany asked him to stay there. When Su Ge, a U.S.-educated doctor returned home with his wife and son for postdoctoral research, some people thought it was incomprehensible; but Su Ge said: Even if there were gold everywhere in the United States, I would not stay there, because I love my country. My career is in China.

Following the upheavals in China and the counterrevolutionary rebellion in Beijing in late spring and early summer last year, some capitalist countries let Chinese students extend their stay. Still, 18 Chinese students returned home to do research at the centers for postdoctoral research after receiving their doctoral degrees in the United States, France, Britain, Japan, and Australia.

After Hu Bizhong, a doctor doing postdoctoral research at the Institute of Mathematics of the Chinese Academy of Sciences, received his doctoral degree in the United States in May last year, upheavals and the counterrevolutionary rebellion took place in Beijing, and there were all kinds of rumors abroad. But Hu was unmoved and decisively returned to Beijing via Hong Kong on 20 June.

Family Planning Minister Writes on 1990's Agenda

HK0901011190 Hong Kong LIAOWANG OVERSEAS
EDITION No 1 in Chinese 1 Jan 90 p 7

[Article by Peng Peiyun (1756 3805 0061), minister of the State Family Planning Commission: "The 1990's Are a Crucial Decade for Controlling Population Growth in China"]

[Text] China is a developing country with a large population and a weak economy. It is relatively poor in terms of per-capita resources, and its economic and cultural development is extremely unbalanced. Population growth obviously conflicts with economic and social development, use of resources, environmental protection, and ecological equilibrium. This is basically the national situation of China. In the 1980's family planning was considered one of the basic national policies. China has taken a number of practical measures to propagate family planning and obtained enormous achievements in this respect.

The rapid growth of population is now in check. This is a remarkable sign of the great achievements of the family planning program carried out in China. The total fertility rate of women dropped from 5.68 in the 1960's to 4.01 in the 1970's and to 2.47 in the 1980's. When comparing the figure of the 1980's with that of the 1960's, we find that the total fertility rate of women has dropped by 57 percent, birth rate by 43 percent, and the natural population-growth rate by 68 percent. At present, China's total fertility rate of women, birth rate and natural population-growth rate are lower than the average of the

developing countries in the world. If we base our calculation on the number of people born in 1970, we find that from 1971 to 1988 over 200 million births were prevented.

There have been satisfactory changes in the people's concepts about marriage and birth of children. This is another remarkable sign of the achievements of the family planning program China has scored. More and more people are becoming aware that the number of children they have and their quality will affect not only their own interests and livelihood but also the prosperity of their country and nationality. Family planning, late marriage, and the trends of people having children at a later age, or having fewer but more intelligent children, are becoming more and more acceptable. As for the children born since 1970, each year 20 percent of the families only had one child and over 60 percent of the families had more than one. In 1988, families having one child rose to 50 percent while those having more than one child dropped to approximately 15 percent. At present, more than 34 million couples who are at their child-bearing age and who are ready to have one child have been awarded Certificates of Honor for having only one child. This figure is 50 percent more than that 5 or 6 years ago. More than 70 percent of the couples at child-bearing age have adopted contraceptive measures. The total number of couples doing so amount to more than 50 million.

Family planning has also improved population quality. Following the development of economy, culture, education, public health, and sports, the quality of the Chinese population has obviously improved. The propagation and practice of family planning has also played an encouraging role in improving population quality. Average life expectancy of the Chinese population rose from 35 before the founding of New China, to 69 in 1987. The death rate and the infant mortality rate were 2.5 percent and over 20 percent respectively before the founding of New China. They dropped to 0.7 percent and less than 4 percent respectively in the 1980's.

As the 1990's begin, we see with a sober mind that the population growth of China is still very rapid and that it will be very difficult to keep it down. This is because China has a large number of people, namely over 1.1 billion, and it is approaching the 3d baby boom period in 40 years. The 360 million of people born during the 2d baby boom period from 1962 to 1975 have, since 1986, been approaching the marriage and child-bearing age. From 1986 to 1997, 11 million to 13 million young women will enter the child-bearing peak age. This is almost 50 percent more than the first two baby-boom periods. In the early 1990's, in particular, China will be at the peak of having the highest birth rate. During this time, women at child-bearing age, who directly affect the birth rate, women who are at the child-bearing peak age, and those who approach the child-bearing peak age, will be more numerous than in the late 1980's. In the late 1990's, the number of these women will begin to fall, but will still be very large. According to the present birth

rate, the total number of people born each year during the 8th Five Year Plan will reach around 23 million, the number of net increase will reach around 16 million, and the natural growth rate ranges between 1.4 percent to 1.5 percent. Therefore, it will be very difficult to keep the total national population under approximately 1.25 billion.

On the other hand, China's family planning program is not developing normally. Eight provinces fall into region one where policies have been strictly implemented with relatively good results and whose mortality rate is parallel to the birth rate. They account for 22 percent of the total national population. Four provinces fall into region two where policies are relatively well implemented with definite results and whose fertility rate is relatively low or on the decrease. They account for 20 percent of the total national population. Three provinces fall into region three where policies are less strictly implemented with general results and whose fertility rate tends to be high or fluctuate frequently. They account for approximately 43 percent of the total national population. Eight provinces fall into region four where the family planning program has been introduced late, with unsatisfactory results and whose fertility rate is high. They account for approximately 13 percent of the total national population. The latter two categories of regions are mostly comparatively backward in economies and culture, some of which are remote regions or regions inhabited by minority nationalities. In these regions, there is much disagreement between the state and peasants over state policies and the peasants' desire. Therefore, it is very difficult to carry out family planning there. This serious imbalance cannot be radically offset within a short time.

The 1990's are the most important period for China to carry out its family planning program, while it is a golden opportunity for it to readjust the total number of population and the age structure. How to adopt effective measures to strictly curb population growth and to surmount the child-bearing peak where possible, will not only directly affect the success in achieving the population-growth target, but also be favorable for gradually forming a more rational age structure for the next century. Therefore, we must continue and develop our work on the results we have already have, continually study and resolve new problems, and work hard to properly improve our work on family planning in the 1990's.

First, we will further enhance people's understanding of the basic national policies for family planning, of the seriousness of population growth, and of the importance of strictly curbing population growth to the strategic goal of developing China's economy. We will realize this goal in the process of carrying out the improvement of rectification program so that their awareness of the population growth. The per-capita concepts can be strengthened and their willingness to implement the family planning program as a basic national policy can be encouraged.

Second, we must unswervingly stick to and implement the present family planning program and adopt effective measures to carry out the program in the most basic family units and to lower the birth rate.

In order to strengthen the inspection and supervision of the family planning program in all localities, we must perfect the population target management responsibility system and exercise control over the population growth of all localities by giving various indications. We must also further strengthen our legal system and gradually establish a new order in which population growth is controlled according to the law.

Third, we must be very determined and make great efforts to strengthen grass-roots development and basic work so as to gradually make the family planning program more consistent, standardized and scientific, thus ultimately advancing the family planning program into another new phase. We must strengthen our guidance according to different categories, pay more attention to the 3d and 4th categories of regions, and help them overcome difficulties. We must also resolutely curb people from having many children, or getting married at an early age, or having babies early, thus gradually increasing the birth control rate. Regions where people have already had comparatively good results in the family planning program should seriously sum up their experiences and take great efforts to strengthen contraception control. To this end, it is necessary to greatly speed up scientific and technological research and provide training to cadres responsible for family planning so that they can in turn render good services to the masses.

Fourth, we must energetically encourage relevant departments and groups to comprehensively manage population growth and take appropriate and advantageous measures to guide the masses in taking family planning measures.

Customs Authority Issues Measures on Donations

*OW0501124690 Beijing XINHUA Domestic Service
in Chinese 1354 GMT 31 Dec 89*

[Text] Beijing, 31 Dec (XINHUA)—Recently, the General Administration of Customs issued the "Measures for the PRC Customs to Supervise and Handle Imported Goods and Materials Donated by Overseas Chinese and Compatriots from Hong Kong, Macao, and Taiwan." The measures will go into effect, beginning 15 January 1990.

The measures are applicable to handling imported goods and materials voluntarily donated by overseas Chinese and compatriots from Hong Kong, Macao, and Taiwan [to units] within the boundaries of the country. The measures are not applicable to goods and materials donated to the relevant units in our country by enterprises with investment by foreign businessmen, foreign representatives stationed in enterprises specializing in processing and assembly for foreign firms and conducting compensation trade, organizations funded and

assigned to stations abroad (including the regions of Hong Kong and Macao) by China, foreign officials, or civilian economic and trade groups during our country's international contacts, and foreign businessmen. The measures are not applicable to nonreimbursable aid and assistance or to goods and materials which are not donated by overseas Chinese and compatriots from Hong Kong, Macao, and Taiwan, either.

The "Measures" stipulate that only the recipient units themselves are permitted to use the imported goods and materials through donation. The customs will examine the donated goods and materials declared by units receiving the donation against documents approved by relevant organizations, and approve their importation. Import permits signed and issued by a responsible economic and trade department is required for customs' examination of goods and materials whose importation is controlled by the requirement of a permit. As for machinery and electrical products, whose importation is restricted by the state through implementation of a system of centralized declaration and approval, including the donation received by the method of "getting a sales invoice abroad and taking delivery of the goods within the boundaries of China," the recipient units are not allowed to transfer these goods and materials imported through donation, resell them at marked-up prices, swap them underhandedly, or sell them on the market after assembly and processing. In the case of donated goods and materials falling under the category of those commodities whose sales are operated by the state under special cases, they should be handled in accordance with relevant state regulations. As for other donated goods and materials, in cases where they are not needed for use by the recipient units themselves, they may be purchased by the designated units. Donated machinery and electrical products, whose importation is restricted by the state and which have been approved for direct use by the recipient units in their own industrial and agricultural production, scientific research, teaching, medical and public health purposes, and public welfare undertakings, are exempt from customs duty. If such donated goods and materials are intended for purposes other than those stated above, import duty will be levied by the customs in accordance with the relevant regulations. If the goods and materials imported through donation are intended for use by the recipient units themselves, they will enjoy duty exemption. If some portion of such goods and materials are not needed for use by the recipient units themselves, they will be liable to imposition of import duty in accordance with the relevant regulations.

The "Measures" point out that customs formalities for importation of donated goods and materials will be taken care of by the recipient units themselves. The recipient units are required to submit the documents approved by the relevant organizations to the local customs for examination prior to importation of the donated goods and materials. After the local customs have examined and put their comments on the documents, the recipient units may submit these documents

to the port customs to process formalities of customs declaration and importation. As for those who import cargo, goods, and commodities under the guise of donation or sell the cargo, goods, and commodities imported through donation for profit within the boundaries of the country without approval by the customs, without making up import formalities, and without making payment of overdue duty to the customs, they will be handled by the customs in accordance with the relevant stipulations of the "PRC Customs Law" and the "Detailed Rules and Regulations of the PRC Customs Law Governing Administrative Punishment."

Article Discusses Theory of Individualism

OW1701140990 Shanghai JIEFANG RIBAO
in Chinese 13 Dec 89 p 6

[Article by Zhang Huajin (1728 5478 6855): "Clarify the Theory of 'Free Individual Development'"]

[Text] Recently, the theory of "free individual development," advocating such things as "self-realization," "self-struggle," "self-design" and "self-choice," has been widely publicized. Some youths who have scanty experience in life are tempted to use unlimited "egotism" to oppose socialist collectivism. They are also dissatisfied with the socialist system. This is an important ideological cause for the disturbances in late spring and early summer of 1989. Recalling this painful experience, it is extremely important for us to clarify the ideological and theoretical confusion. We must maintain a correct realistic orientation with respect to free individual development.

The Meaning and Historical Background of the "Free Individual Development" by Marx

Those who advocate "egoist" "free individual development" usually love to quote Marx and Engels on the "free development of each" as their basis.

In the "Communist Manifesto," Marx indeed said: In the higher stage of society in the future (meaning the communist society), "the free development of each is the condition for the free development of all." This thesis by Marx had its special meaning and historical background. "The free development of each" means "all-round development and demonstration of one's entire manual and mental ability." By saying that "the free development of each is the condition for the free development of all," Marx meant that there should be a high degree of organic connection between individual development and social development, so that harmony and perfect unity would exist between individuals and the society. Such a "free development of each" can exist only in a society with a special "realm of freedom"—namely, the communist society. According to Marx' thinking, in order to truly achieve "free development of each," it is first necessary for each member of the society to free himself from the shackles of private ownership of the means of production and to liberate himself from the exploitation and coercion of capital. Next, it is necessary to develop highly the

productive forces, "make full use of all sources" of social wealth, and enable the society to provide the fullest material conditions for the development of all its members. Third, after the productive forces are highly developed, the fixed division of labor of the old society will have disappeared, people will no longer subserviently obey the division of labor, and working, instead of being merely a means of making a living, will become the primary necessity for a happy life and the necessary means for achieving free individual development. Fourth, a high degree of harmony needs to exist in the relations among individuals, collectives, and the society. The society and collectives will remain the basis for individual life and development. The society and collectives are able to ensure full, free individual development in various respects, and all members of the society have a very high level of ideological awareness and mental outlook, "are very accustomed to respecting the basic rules of public life," and will voluntarily defend the interests of the society. Without the above conditions, it is impossible to truly achieve "free development of each" in any society.

The reason is very clear. Fundamentally speaking, free individual development is based on social development. Since the socialist society in our country is still in the initial stage, individual freedom and development, though a trend of historical progress, also inevitably has historical limitations. In our socialist society today, our productive forces, science and technology are not yet highly developed, and the laborers still need to spend a lot of time on necessary work to make a living. They do not have extra time for freely developing their physical strength, intellect, and individuality. Under such circumstances, it is unlikely that laborers' individual freedom and development are not restricted, and it is also impossible that all the articles in the PRC Constitution and other laws regarding citizens' rights and interests are fully implemented. An unavoidable objective reality is that a fixed division of vocational labor still exists in the socialist society. Marx said: "The division of labor is a convenient and useful means for creating social wealth. It is an ingenious application of manpower, but it makes an individual's ability deteriorate." So long as a fixed division of labor exists in the society, no individual in the society can develop in a full, free, and all-round way. It is obvious that as the socialist society still lacks the conditions for the "free development of each" as set by Marx, individual freedom and development remain subject to certain restrictions. Moreover, for the sake of a better future for our socialist country and the interests of socialism as a whole, it is unavoidable that some individual freedoms (including the opportunities and conditions for free individual development) will be sacrificed. It is obviously out-and-out egoist behavior in disregard of reality and the overall interests of our socialist country that those people advocate "self-realization" and free development of individuality "despite suppression by authority" and talk nonsense such as "whoever lives must live happily."

Marx said that only in the future communist society "is the free development of each the condition for the free development of all." But some people, who lack knowledge of basic Marxist theories or the few who have certain purposes, mechanically apply it to the present socialist society, and then blame socialism for repressing the freedom of individuality and fettering free individual development. They should undertake serious study of basic Marxist theories in order to solve their question.

The Fundamental Difference between Marxist Theory and Bourgeois Free Development of Individuality

The theory of "free individual development" usually obliterates the difference between the bourgeois theory of free development of individuality and Marxist theory of free individual development. Thus, it is very necessary to point out the difference between the two.

First, the bourgeois theory of free development of individuality evidently is illusory, while the Marxist theory of free individual development is scientifically based. Marx uttered a famous phrase: "It is only in a collective that individuals can have the means to develop their talents in an all-around way. In other words, there can be individual freedom only in a collective." This is a universal truth applicable to any society and to any individual. However, we must know that the definition of collective is not always the same throughout the historical development of human society. According to "German Ideology" by Marx and Engels, a collective can be either unreal or real. "Unreal collectives" are social associations (such as the state, class, and clique) formed on the basis of the relations of production under private ownership to oppose individuality. The "unreal collectives" reflect a relationship between individuals and the society and between one individual and another; the basis of the relationship is survival, but it is coercive and enslaving in nature. In the "unreal collectives," only a handful of rulers are entitled to free development of individuality, and even such a free development of individuality is stamped with an exclusive brand of the bourgeoisie. The United States is a so-called "free society" that many people yearn for today. However, in the United States, the "super-rich people," accounting for 0.2 percent of the total population, own 60 percent of the nation's total wealth; 1.6 percent of the total population owns 80 percent of the nation's total stock; with unemployment rising constantly, 33 million poor people live on welfare; and racial discrimination and racial inequality are very conspicuous. The United States today is home to 20 million illiterate people and 30 million people with only an elementary school-level education, while many people holding PhD's or Master degrees cannot find jobs suited to their education and are therefore compelled to do manual work or run coffee shops. In the United States, a developed capitalist country that has advocated free development of individuality for several hundred years, exactly how many people are entitled to the free development of individuality today? As for the very few people who have had the free development of individuality, what is their free

development of individuality like? I do not have to cite any more examples. I believe that it is most appropriate for me to quote the word of Sartre, an existentialist, "others are hell [ta ren jiu shi di yu 0100 0086 1432 2508 0966 3739]."

Second, the bourgeois freedom of individuality is founded on class antagonism, while Marxist free individual development is based on the "harmonious" development of individuals and the society. In a society where class exploitation and oppression exist, the freedom of a small number of people always is at the expense of the freedom of the majority of the people. This fact is not clearly shown sometimes, but we will be able to see it if we carefully analyze the society. A basic condition for the free development of individuality is one's "free time," which he can use to develop his individuality freely. In the capitalist society, however, the spare time of laborers is seized by the exploiters, who account for a very small percentage of the total population. In such a situation, the laborers must work during both working hours and during their spare time, while the exploiters do not have to work at all to survive. In this way, the laborers do not have any spare time, while the exploiters have all the spare time. In a capitalist-dominated society, the free development of individuality of a small number of exploiters comes at the expense of the free development of most working people. In today's capitalist society, which features highly developed productive forces, there is much free time and much room for people to develop themselves, but this actually is mainly only for a small number of people to achieve the so-called free development of individuality. Contemporary American society is described as a "children's paradise, a young people's battlefield, and an old people's cemetery." Many young people there are fighting for survival and money. How can they have "free time" and free individual development?

Third, the free development of the individual character of the bourgeoisie invariably is to meet the requirement of free competition and the increment of capital, while the free individual development of Marxism is linked to the molding of communist new people. The goal of realizing communism is not merely to eat and wear well, but also is to give full play to people's potential. It is to help people have genuine freedom and total emancipation. "In other words, an individual will be a whole man who can possess all his intrinsic quality." In a society dominated by the bourgeoisie, the goal of capitalist production is to obtain residual value as much as possible. In order to obtain more residual value, the exploiting class, which possesses capital, also pays attention to improving the quality of workers, developing the workers' production skills, and raising the workers' scientific and cultural level. Therefore, the capitalists are forced to provide relatively more free time to the workers (such as increasing their spare time and opportunities to study and receive training) and to let them study science, culture, and technologies and to develop their own talents. However, because of the nature of

capitalism, the capitalists will inevitably turn the workers' free time into residual labor in order to serve their goal of increasing residual value.

Compared with the theory of "free individual development" as expounded by Marx and Engels, the free development of individual character advocated by the bourgeoisie is not only merely a relatively low level of people's liberation but also a kind of distorted "liberation of the people." Although the socialist society still cannot be called a perfect "truthful collective," it already has established an objective foundation for this "truthful collective." It has taken the first stride toward the future communist society. What we should look forward to and seek is the communist society, in which every person can develop their physical and intellectual capabilities and personal character freely and wholly.

Proceeding From Reality and Adhering to the Correct Orientation of Individual Development

Only the ideal communist society can recognize that every person should be able to develop freely and wholly in a true sense, and the free and whole development of every person is a condition for free development of all people in a society. This does not mean that in the present society, especially in the socialist society, we can overlook personal freedom of all members of the society and the development of people's physical and intellectual capabilities and personal character within a normal scope. The constitution and law of socialist countries all stipulate that the citizens' normal personal rights and individual freedom should be protected. Socialist countries and organizations at various levels should do their best to provide necessary conditions for individual development and creativity of all members of the society. The individual is the cell of a society and the initiative and creativity of each individual are the sources of vitality for the society. In our socialist society, if we do not have individual "personal" vitality, if we do not have normal "personal" freedom, if we do not have the development of "personal" capabilities, and if we do not have the "personal" pioneering and hard-working spirit, the whole country will not be able to become more prosperous every day and the society will not be able to make vigorous progress. Proceeding from reality and adhering to the correct orientation of individual development are important matters to be tackled constantly by leaders at various levels.

1. Individual development must adhere to socialist principles and communist orientation. In a socialist society, we must first attach importance to continuing to develop individual wisdom, talent, and capability, all of which will benefit the country and the collective. Proceeding from the interests of the state, which really represent the overwhelming majority of the people, we should stress that the interests of the state and the collective be more important than individual interests and stress the individual's sense of responsibility and obligation toward the

collective, the state, and the society. If there are contradictions between the individual interests and the interests of the state and collective, we should carry forward the spirit of putting the public interest before personal interests and take the whole situation into consideration. At the same time, we also should ask all youths with consciousness and lofty ideals to foster the spirit of making sacrifices for the cause of communism in the future. Those individual struggles for "personal interests" are not worthy of praise and the viewpoint that "the existence and value of the individual are more fundamental than those of the society" is very harmful.

2. The recognition of individual freedom and the protection and promotion of the development of individual wisdom and capability should be established on the basis of practical possibilities. So long as the division of labor exists in the society, no individual can bypass and divorce himself from the principle of division of labor in the society and freely develop his personal character and freely select what to do today and what to do tomorrow. So long as the fixed division of labor exists in various trades, every individual's development of personal talents and character will more or less have some degree of one-sidedness. The development of personal talents and character on the basis of division of labor must first of all be subordinated to the principle of division of labor in a society. The present fixed division of labor in various trades is the starting point for personal development of every member of the present society and is also a precondition that limits the development of personal freedom.

3. In our present socialist society, we should advocate the development of the whole with each individual proceeding from reality. This kind of development of the whole is different from the "free individual development" established on the basis of "complete" and "full" development; rather, it is established on the basis of limited and conditional "free individual development." It demonstrates the historical nature and condition of peoples' free development. It is the basic orientation for us to guide peoples' development. The overall development of the people varies from person to person or from job to job (division of labor in various trades). A person engaged in a certain profession can be called a capable person with overall development within his profession if he is both socialist-minded and vocationally proficient with a relatively high level of ideological consciousness, a mastery of his professional knowledge and skill, and related scientific knowledge. Before the communist society is realized, it will be unrealistic to enable the vast members of the society to have wholly free individual development as described by Marx. However, it is possible that people can achieve overall development in various forms on a realistic basis. The overall development of the people also is a concept with a class nature. Different classes have different criteria and yardsticks for overall development. Here, the class nature and political criteria are of prime importance. In order to train people in an all-round way to meet the needs of

socialist construction, we must make the political demand of serving socialism the top priority. "People with high ideas" is the first requirement for bringing up people "with high ideas, moral integrity, a good general education, and a sense of discipline" as put forward by Comrade Deng Xiaoping. In other words, people should seek communist ideas. In training and cultivating socialist-minded and vocationally proficient people in various trades, it is most important to be "socialist minded." In other words, we should first require them to possess the spirit of dedicating themselves to serving the country and the people.

People, particularly young people, always strongly hope to develop their own talents and personal character. They also hope that the collective and the society can provide more opportunities and conditions for them in their personal development. Those desires and demands are normal things. However, reality always has limits and is fixed. Naturally, people can change the environment, but the existing environment also limits people's activities. The peoples' seeking of freedom (including free development of personal character and ability) cannot be absolute, unconditional, and unlimited. Hegel said philosophically: People cannot obtain freedom through self-will. In order to obtain reliable freedom in the development of personal ability and character, everyone must place their hope on a realistic basis. What we need in this respect is an attitude of seeking truth from facts. People who take the attitude of seeking truth from facts can be described as being mature. The same Hegel rightly said: People must become mature in order to seek freedom. Mature people will not be deceived and will not act rashly.

Article Warns of External 'Hostile Forces'

HK2012064189 Beijing JIEFANGJUN BAO
in Chinese 1 Dec 89 p 2

[Article by Wang Yaoting (3769 5069 1656) and Ma Guangwu (7802 0342 2976): "Beware the Glint and Flash of Cold Steel in the 'Halo of Peace'"]

[Text] Faced with a fierce life and death struggle on the battlefield, where the situation is changing fast, people are always peculiarly sensitive, not daring to lower their guard by the slightest degree. In peacetime, however, when the direct threat of war has given way to potential confrontation, people tend to be satisfied with the status quo, entertaining the idea that "there is neither an enemy country nor foreign aggression" and, therefore, relax their vigilance against the foreign enemy's greed and plotting. That is what we should guard against.

The international hostile forces still entertain the idea of subjugating us. If many comrades failed to see this clearly in the past, the disturbance which occurred between the spring and summer this year and the drastic changes in the current international situation have transmitted discernible "sounds of desperate struggle" from behind the curtain of "peace and dialogue." It clearly

tells people that the prelude to "a world war without the smoke of gunpowder," which has been planned by the international monopoly bourgeoisie for a long time, has been set. It also shows that the "peaceful evolution" of socialism by capitalism is a practical danger. In fact, the struggle between the two systems of capitalism and socialism has always existed. Since the 1980's, the international monopoly bourgeoisie has taken advantage of the overall trend toward relaxation in the world situation and the opportunity offered by reform and opening up in socialist states to step up political, economic, and cultural infiltration against socialist states in an attempt to overthrow the socialist system through the method of "peaceful evolution."

In the world today, peace is propped up by actual strength and deterrence. Cold and hot currents, confrontation and dialogue, and disputes and coexistence contain and permeate each other. The armed forces of all countries try to describe in theoretical terms the mode and timing of future wars and surreptitiously seek the best ways to deal with the enemy. Many countries spare no expense in organizing official, military, and nongovernmental institutions to study strategic theories and limited warfare, and in encouraging and supporting new military theories and competent military personnel. The peaceful environment has provided a "hotbed" for studying the guidance of war and for the emergence of various new military theories. Limited wars and contingency incidents have also created conditions to put the theories into practice. The fierce contention as reflected in the field of military theories poses a threat to the armed forces, which is no less intense than a bloody armed struggle. The trial of the strength of military theory has shifted the fighting in future battlefields into forums and the deliberation of new theories. Theoretical deterrent has become a part of strategic deterrent.

It seems that the strategy of the international monopoly bourgeoisie to "fight a world war without the smoke of gunpowder" includes "peaceful evolution" and the contention of military theories. Naturally, these are backed by military strength. Faced with the glint and flash of cold steel, what tactics should we adopt? How should we wage a tit-for-tat struggle? This is what all military personnel should ponder.

Science & Technology

Scientific, Technical Research Funds To Increase

HK1301015890 Beijing CHINA DAILY in English
13 Jan 90 p 3

[By staff reporter Li Hong]

[Text] China is going to strengthen its basic science and high-technology research and support a bigger scientific and technological think tank by making the best possible use of its limited laboratory funds, according to the National Natural Science Foundation of China

(NNSFC), a State Council authorized management department for scientific research funding.

The foundation will have access to more State money in the Eighth Five-Year Plan period (1991-1995) and it has vowed to distribute the money scientifically and reasonably.

In accordance with the set principle of "decision" by experts and aiding the most needed," the foundation has supported over 12,000 scientific research projects by allocating more 426 million yuan since it was founded in February 1986.

The foundation is seeking from the State budget 180 million yuan of research funding for 1990, for over 4,000 key projects, which are considered crucial to the development of different economic sectors.

"A total of 1.5 billion yuan will be needed in the Eighth Five-Year Plan period for 20,000 scheduled research projects," Tang Aoqing, president of NNSFC, told a recent working conference in Beijing.

Since the foundation's beginning, competition has guided the distribution of funds.

Applicants must submit their research projects and supporting documents. Then three groups of appraisers—communication assessing experts, disciplinary assessing experts and NNSFC assessing experts—check them out carefully.

According to Professor Shang Yushen, a foundation official, only those projects considered likely to bring large and immediate economic and social results and critical basic natural science projects will be funded.

"This represents a major revamping of the traditional State funding system for scientific research projects," Tang said. "In this way, the outmoded 'big-pot' appropriation of funds according to departments, districts, work units and number of scientific workers will be discarded."

In order to better utilize the country's limited research funds, NNSFC divides the projects for consideration into diversified categories, such as free application projects, key projects, young scientists' research projects, high-tech research projects, regional science projects and projects of international co-operation.

"But money still remains a big problem," he said.

In 1989, there were more than 13,800 applications for funding, seeking a total of 745 million yuan. Because of tight State allocations, only 22.16 percent of the applicants received funding, and only 13.47 percent of the total amount of money sought was allocated, a 5 percent drop from 1988.

"The practice of the past four years tells us that the funding rate should be raised to at least 35 percent,"

Shang said. "Otherwise, many good application projects have to be given up, which experts think is a pity."

Science Academy President on 1990's Prospects

OW1801121490 Beijing XINHUA Domestic Service
in Chinese 0528 GMT 17 Jan 90

[By reporter Chen Jinwu (7115 6855 2976)]

[Text] Beijing, 17 Jan (XINHUA)—What is the trend of scientific and technological development in the 1990's? Chinese Academy of Sciences President Zhou Guangzhao believes that science and technology will achieve different degrees of breakthroughs in various fields in the 1990's. He even believes that they will have a more profound impact on social and economic development than in the previous decade.

At the invitation of this reporter, President Zhou Guangzhao looks at the prospects of scientific and technological development in the 1990's. She maintains that important progress will be registered in the study of life sciences. All human genes will be identified, and outstanding progress will be achieved in research on the gene structure, nervous system, immune system, and on bionics. With regard to material science, new methods will be developed on the basis of the existing foundation, and a new epoch will be ushered in with regard to the design and manufacture of materials for different uses to serve the people's specific requirements.

During this decade computers will gain popularity worldwide as fast as television did and will bring profound changes to human society's production and organization patterns and lifestyles. While the industrial revolution saw machines replace human physical labor, the present-day world will see the dawning of an era when part of the thought processes of the human brain can be superseded by a computer. With the ever-growing acceptance of computers, the volume of information human beings are able to store, use, and exchange will multiply hundreds of times.

Space, remote-sensing, and positioning [ding wei 1353 0143] technologies and knowledge of the way in which forces within the earth work will expand continuously. This will allow human knowledge of the movement of the earth to greatly surpass the level reached by mere observations in open fields. At the same time, the application of modern analytical techniques will make possible a better understanding of the physical process and of the way forces within the earth work. New breakthroughs also will be made with regard to the study of atmospheric and oceanic movements and how these interact.

Human understanding of the structure of matter and other basic laws of nature will be remarkable in the 1990's. However, the pace of its development will not be too fast and will be limited on a certain level because

research on the basic composition of matter requires large equipment for experiments and high costs which no single nation can afford.

Zhou Guangzhao mentions in particular that the relationship between mankind and nature will become a major research subject in the 1990's. Because of the sharp increase in acid rain and carbon dioxide, people in the 1990's will once again see the value of nuclear power. The adverse effects of further increases in the Chinese population on the consumption of natural resources will remain an important research subject for our country's scientific and technological workers this decade. In a certain sense, the prosperity and development we enjoy in some areas are being achieved at the cost of a worsening environmental and ecological situation. Therefore, the whole society must pay attention and be alert to this problem and seek to maintain an ecological balance by exploiting science and technology rationally, by utilizing natural resources economically, and by placing population growth under control. The Chinese Academy of Sciences will continue to value and strengthen the basic studies in this field and will intensify macroscopic and comprehensive research on resources and the environment. The academy also will study environmental issues, including the forecasting of disastrous weather and the forewarning of environmental changes from a global perspective. In so doing, the Chinese Academy of Sciences will provide a scientific foundation on which the state can determine its macroscopic policies.

'Tunable Neodymium Glass Laser Device' Developed

OW1501112090 Beijing XINHUA in English
1033 GMT 15 Jan 90

[Text] Beijing, January 15 (XINHUA)—The Chinese University of Science and Technology has developed the first new 10,000 mw tunable neodymium glass laser device in the world, the overseas edition of the "PEOPLE'S DAILY" reported today.

The equipment, using the feature of neodymium glass with a wider gain band, makes the laser wavelength continuous and tunable in the gain band.

The device was designed and installed by the physics department of the university. All parts and components, except a high-speed switch, were made in China.

The device will contribute to the study of the multi-photon ionization process of atoms and electrons, X-ray laser mechanisms, plasma X-ray microscopy, plasma spectroscopy, and features of materials subject to ultra-high voltages and temperatures.

Breakthrough in Argon Laser Technology Reported

HK1601072390 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0945 GMT 12 Jan 90

["China's New Breakthroughs in Argon Laser Technology"—ZHONGGUO TONGXUN SHE headline]

[Text] Nanjing, 12 Jan (ZHONGGUO TONGXUN SHE)—The tungsten-disk argon ion laser tube, which is called the fourth generation argon ion laser product by laser experts around the world, has been successfully developed in Nanjing and has recently been appraised at the ministerial level. Thus, following the United States, China has become the second country able produce this kind of laser tube.

From the first argon ion laser device manufactured in 1964 to the advent of the tungsten-disk argon ion laser in 1981, the materials used for making argon ion laser tubes changed from crystal to graphite, and then to berillia, and finally to tungsten-disk. Of these, the structure of tungsten-disk is the most advanced and complicated. Its discharge tube is made up from approximately 150 parts and has nearly 200 weld lines. Moreover, its size is measured by centi-millimeters. It also demands high precision and sophisticated workmanship. Since the United States advanced the fourth generation argon ion laser, scientifically advanced countries have been trying to catch up, but they have not yet succeeded in making it.

In 1984, the State Science and Technology Commission entrusted Nanjing Electronic Tube and Laser Research Institute with the task of developing tungsten-disk argon ion laser tubes. In 1987, this Institute manufactured the first experimental tube. It continued to develop it in the following years, and finally succeeded in making the first tungsten-disk argon ion laser tube at the end of last year. An appraisal by laser experts and experts in electric vacuums, who came from different parts of the country, proved that all functions of the tube have reached advanced levels of similar products. When comparing it with an American sample in a test, it excelled in various comparable indicators, such as mono-spectro power and power stability.

The laser device fitted with a tungsten-disk argon ion laser tube can be applied to different industrial, scientific, technological, military, and medical areas, including information storage, light scattering research, photographic plate making, fingerprint examination, and medical and public health. It is clear that with the success in manufacturing the tube, China no longer needs to spend tens of millions of U.S. dollars importing a single set of laser devices. Not long ago, two laser devices fitted with this kind of laser tube by Nanjing Electronic Tube Company were put on sale.

Swedish, Hong Kong Group To Install Phone Link

HK1601014790 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English
16 Jan 90 p 1

[By Geoff Crothall]

[Text] Ericsson, the Swedish telecommunications group, and Hong Kong's Pacific Link Communications have signed an agreement with China's Ministry of Post and Telecommunications to install a new mobile telephone network in Beijing.

Ericsson, which controls 70 percent of the mobile phone market in China, has already established networks in Shanghai, Guangzhou, Tianjin and the port city of Qinhuaogdao.

The Beijing network will be the second system to go into operation in the capital, the first being installed by American corporation Motorola in 1988.

The cost of supplying and installing the new network is being jointly met by Pacific Link and Ericsson as "an investment" in developing future telecommunications systems in China.

According to analysts there is great potential for the development of telecommunications in China and many corporations are willing to "donate" equipment as a means of getting a foot in the door.

"By providing this network in Beijing, we are demonstrating to the Chinese authorities that we are sincere in our long-term commitment to the development of telecommunications services, both in Hong Kong and China," said Mr Henry Goldstein, president and chief executive of Pacific Link.

The Beijing network, which is compatible with networks in Hong Kong and other regions of China, will have an initial capacity of 2,000 subscribers, more than doubling the city's current capacity.

Despite the high cost per unit—20,000 yuan (about HK\$33,000) on average or more than double the cost of a similar unit in Hong Kong—Mr Rolf Granstrom, managing director of Ericsson Communications (Hong Kong) said there was a great demand for mobile telephones in China.

Military

JIEFANGJUN BAO Views Combat Formation

HK0701071490 Beijing JIEFANGJUN BAO
in Chinese 15 Dec 89 p 3

[Article by Liu Senshan (0419 2773 1472): "Strategic Thinking on Combat Formation"]

[Text] Based on the establishment and equipment of the Army in times of peace and in light of the battle needs, commanders conduct combat formation by reorganizing and recombining the forces and weaponry. A scientific combat formation should be formulated in accordance with the following principles:

1. Optimum arrangements of primary and secondary factors.

Combat formation constitutes an arrangement and combination of forces and weaponry. Viewed from a mathematical angle, arrangement and combination can be divided into two main categories: Complete arrangement and optional arrangement. Complete arrangement refers to the different sequence of various factors in each arrangement, regardless of the primary and secondary factors in the

arrangement. In this kind of arrangement and combination, there many methods for the arrangement and combination of the limited factors, such as the 6 methods for 3 kinds of factors, the 24 methods for 4 factors, the 120 methods for 5 factors, etc. However, optimum arrangement determines the position of other factors, after designating the sequence of one or several factors in light of the needs. As a consequence, the methods of arrangement and combination are far fewer than those of complete arrangement. For example, if the necessary position of one of the 3 kinds of factors is determined, the number of methods for its arrangement and combination reduces from 6 kinds in complete arrangement to 2; if the necessary position of 1 of the 4 kinds of factors is determined, the number of methods for arrangement and combination reduces from 24 to 6; after determining the necessary position of 2 factors, the number of methods for arrangement and combination reduces to 2.

Combat formation serves campaigns and battles. As the arms of services of enemy troops are divided into primary and secondary ones, we should choose the optimum arrangement characterized by the secondary subordinate to the primary in our combat formation. Optimized combination is tantamount to discovering and determining the primary and secondary position of combat formation. Hence, the optimization of combat formation is the combination of mathematical and tactical method as well as seizing the principal contradiction and applying the thinking of attacking the enemy's weakpoints with our strong points in combat formation.

2. Coordination and overall balance.

If the optimized sequential arrangement in combat formation is focused on developing the strongpoints, making up the defects, and increasing the effectiveness of combat formation, coordination and overall balance of combat formation are realized through the comprehensive analysis of both the mother system and the branch system of our formation. The balance of the branch system refers to the number and size of forces and weaponry reinforced in every basic combined unit. It should be suited to the tactical grade, control capacity, communication distance, supply capacity, and organizational command of its own formation. In the branch system, the forces and weaponry of various combined units also seek the capacity of simultaneous movement and contacts through similar frequencies. The overall balance of the mother system refers to the complete combat formation. It includes functional balance between the frontline battle system and the rear logistics system. When there is a contradiction between the mother system and the branch system, we should take note of maintaining overall balance. If the structure is imbalanced, the overall function may be lower than the sum of some parts. For example, if tanks and infantry, which are two factors that have dramatically different rates of mobility or speed, are put together in a small combined unit and advance simultaneously along the same line, the noise of tanks may undermine the concealed movement of the infantry, while the movement of infantry may check the high speed of tanks, making it

difficult for each factor to exert its strong points. Conversely, if tanks and infantry launch offensives from two directions or advance under screen from one direction in turn, in light of the thinking of coordinated action and overall balance, they can respectively give full play to their strong points and limit their shortcomings. Although this does not seem to be a combined view from the branch system, it is properly combined from an overall point of view.

3. Improve the quality with some addition and subtraction.

Whenever combat formation is mentioned, people think of reinforcing forces and weaponry, and the more the better. In fact, addition makes many tactical problems more complicated, rather than solving them. Only by making moderate addition and subtraction can we solve the difficult tactical problems.

The (Lancaster) battle square law has proven that the combat effectiveness of the enemy and ourselves is the square of the quantity and quality of the units taking part in the battle. Due to the increasingly high percentage of hits, casualty radius, and transparency of battlefields, to obtain superiority with limited intensive military strength under the conditions of modern warfare, it is necessary in the art of combat formation to strengthen the better quality parts and decrease the lower quality parts. Take for example a battle of the Laoshan front where an enemy stronghold was captured: the combat formation at the beginning included 82 recoilless guns, antitank rocket launchers, machine guns, and satchel charges. As the enemy maintained defense from the back of the narrow, steep mountains, where head-on confrontation was limited, if we had deployed large numbers of forces and weapons, casualties would have increased because of intensive forces. Following a later analysis and comparison of the deployment of forces and weapons, they cut the 82 recoilless guns of every squad, increased the number of rocket launchers, and strictly selected the personnel taking part in the battle. Apart from reducing the intensive forces of frontal attack, they increased the intensity of fire and the flexibility of mobile units.

War history statistics show that when we bring representative, quality new weaponry to 10-15 percent of the total military strength, we can bring about a qualitative change in tactical means, provided we are good at applying new weaponry to the main direction in campaign combat formation. However, if conventional formation is applied and the new weapons are engulfed by large numbers of outdated weapons, it will be impossible to introduce a new operation method, even though the proportion reaches 30 percent of the total military strength. Take the battle of the German Army led by Hitler against Poland in August 1939, for example. Germany had only 10 armored divisions, accounting for 9.7 percent of its 103 divisions. When Germany launched an offensive against West Europe in September the same year, it had 10 tank divisions and 7 motorized divisions, the sum of which accounted for only 12.6

percent of its 135 divisions. As the German Army assembled these tank divisions in an assault, however, it was regarded as a tank lightning war, which gained considerable fame for some time. In comparison, although France had more tanks than Germany, it could not apply advanced tactics, because the tanks were regarded as security and a supplement of the infantry and cavalry units.

4. Adapting to the environment and a means of subordination.

The adaptability of combat formation means adapting to the weather, topography, enemy conditions, our conditions, and tactical means of the moment.

Take the far east battle in 1945, for example. To deal with the complicated topography and climate of the plain and desert in Mongolia and with the steep Greater Xing'an Mountains, the Soviet troops in Baikalsky set up a water supply regiment, a fuel supply regiment, and other engineering and logistics units in their front and field armies. The combat formation in the divisions and regiments included water and fuel supply units, tractor trucks, and other logistics units. Apart from the water and fuel supply platoons, the combat formation of the units also provided military trucks with wire, which ensured the application of the tactical means. Meanwhile, when Hitler was launching an offensive against the Soviet Union, many tanks, trucks, and guns moved slowly in the marshes, because the combat formation lacked relevant logistical service.

Different operations and different tactical means require different combat formations. The combat formation for storming a city will not be applicable to an ambush operation, while an ambush combat formation will not be applicable to a surprise attack or storming.

In light of military strategy and tactics, a general who knows nothing about combat formation and structure of the front position can only be a loser. He who is aware of combat formation and the basic structure of the front position, but stubbornly sticks to this pattern, will be a foolish general.

The objective determines and conditions the means, while the latter serves and promotes the realization and progress of the objective. Instead of passively adapting to tactical means, enemy conditions, our conditions, climate, and topography, combat formation also promotes tactical means. With the development of science and technology and new arms of services, the reaction of combat formation on tactical means has become more prominent. For example, the rapid assembling of the Soviet Army and the air echelons of the U.S. and Soviet Armies constitute a transformation of tactical means effected from a change of combat formation. It should be noted that these combat formations have been proposed through a great deal of academic research and simulated tests, rather than through actual operations.

The optimum sequence of combat formation, coordination, and balance of internal structure, the art of

increasing and reducing accordingly the tactical means, and adaptability to the battlefield environment constitute a whole which conditions, enlightens, and affects the component parts. Only by following this systematic thinking and comprehensive consideration can a commander work out a rational combat formation.

Editorial On Carrying Forward Lei Feng Spirit

HK2812034589 Beijing JIEFANGJUN BAO in Chinese
9 Dec 89 p 1

[Editorial: "Energetically Learn and Carry Forward Spirit of Lei Feng, Strive to be Always Politically Qualified, Revolutionary Soldiers"]

[Text] Lei Feng was a great fighter for communism who grew to maturity in this great school of our army. The spirit of Lei Feng, which embodies the traditional virtues of the Chinese nation, and reflects the spirit of the socialist era, has had extensive, far-reaching influence on the mental outlook of the whole army and society at large. In the new situation, especially after the struggle to check disturbances and quell the counterrevolutionary rebellion, energetically conducting activities to learn from Lei Feng and carrying forward the Lei Feng spirit is of great practical significance in training and developing cadres and fighters into people of a new generation who "have lofty ideals, moral integrity, education, and a sense of discipline" and ensuring the army will always be politically qualified.

In 1963, Mao Zedong and other proletarian revolutionaries of the older generation issued the call to learn from Comrade Lei Feng to the whole nation. Twenty years or so since then, cadres and fighters of our army have engraved the call on their minds and made unremitting efforts to conduct activities to learn from Lei Feng, thus constantly carrying forward the Lei Feng spirit. Consequently, in the whole army there emerged a large number of heroes and exemplary persons, such as Auyang Hai, Wang Jie, Ismail Maimaiti, Mai Xiande, Liu Yingjun, Liang Yingrui, Zhu Boru, Zhang Hua, Liu Guogeng, and Cui Guozheng and the "Lao Shan spirit," the "spirit of diverting water from the Luan He," and the "Nansha spirit," which all have new and practical significance. In the severe struggle to check disturbances and quell the counterrevolutionary rebellion, the broad ranks of officers and men of the martial law enforcement units displayed the "spirit of the guardians for the republic" characterized by wholehearted devotion to the party, fear of no sacrifice, courage and tenacity, and strict observation of discipline. This is also precisely the lively embodiment of our army's fine traditions and the spirit of Lei Feng, which has become the precious wealth of our party in doing ideological and political work and the people's army's precious heritage and characteristic strong point which have great vitality.

In the last 20 years or so, there have been ups and downs as well as twists and turns in the drive to learn from Lei Feng just as in the case of our socialist cause. Particularly

in the last few years, some people who promoted bourgeois liberalization wantonly defamed Lei Feng and the Lei Feng spirit, saying that "Lei Feng is the typical example of the theory of being a tool," "Lei Feng's conceptual ideas are outworn," and the Lei Feng spirit was "out of tune with the trends of the times" and "out of fashion," thus creating confusion in people's minds. Their aim of vilifying the Lei Feng spirit is to "transform" our youths with the decadent ideology and values of the Western bourgeoisie, and change the nature of our party and country in the end. Therefore, the more they oppose, the more we should advocate. In the last few years when the trend of thought favoring bourgeois liberalization ran rampant for a time, many troops insisted that "you blow a cold wind over the advocacy to learn from Lei Feng and we persist in it." This fact has fully shown that the activities to learn from Lei Feng have a broad mass base and great vitality. In the new situation, the Lei Feng spirit is being understood, highly praised, and practiced by more and more cadres and fighters. It must also be noticed that in the new situation in which we are carrying out the policy of reform and opening up to the outside world, and developing the socialist commodity economy, and in a time when the state is improving the economic environment and rectifying the economic order, deepening reforms, and encountering temporary economic difficulties, advocating and carrying forward the spirit of Lei Feng will not only play an incalculable role in promoting the building of socialist spiritual civilization, inspiring people's revolutionary spirit of plain living and hard struggle, and resisting the corrosion of various decadent ideas and cultures but also help eliminate the negative elements cropping up in the course of developing a commodity economy, further promote the improvement and rectification program, and deepen reforms. This being the case, on no account is there any question of the Lei Feng spirit being "out of fashion."

As a great fighter for communism, first of all, Lei Feng was a politically qualified model. In the longstanding peaceful environment and the situation of reform and opening up to the outside world, guiding the broad ranks of cadres and fighters in learning the Lei Feng spirit is the only way to foster people of a new generation and also an effective way to strengthen the army's political construction in the new period. At present, international hostile forces are intensifying their efforts to pursue the "peaceful evolution" strategy against our country and the people who promote bourgeois liberalization at home deliberately attempting in vain to overthrow the leadership of the Communist Party and change our country's socialist system. Since our army is the powerful mainstay of the people's democratic dictatorship, hostile forces at home and abroad are trying every possible means to infiltrate and corrode it. Under these circumstances, training and bringing up revolutionary soldiers who are always politically qualified has become a task of vital and lasting importance, which has a bearing on the building of our army. If all our cadres and fighters strive to be always politically qualified soldiers who have

boundless loyalty to and boundless love for the party as Lei Feng did, our army will become a great wall of steel that cannot be smashed or rocked by any stormy waves.

Recently, the Central Military Commission convened an enlarged meeting calling on the broad ranks of cadres and fighters to learn Lei Feng's thinking, take the road Lei Feng had traversed, and generate a greater upsurge of learning from Lei Feng among all troops. We must respond to the call of the Central Military Commission and unfold the activity in an extensive, deepgoing, and down-to-earth manner.

We must learn Lei Feng's political stand of being clear about what to love and what to hate. Lei Feng cherished incomparably deep affection for the party, the people, and socialism. He likened the party to "mother" and viewed socialism as the "lifeblood." He cherished incomparably warm love for his comrades and the people like the warmth of spring. He hated the enemy who opposed our party and undermine socialism as ruthlessly and mercilessly as severe winter. We, all comrades, must "be ruthless to the enemy and kind to our comrades" as Lei Feng was. At present, although class struggle no longer constitutes the principal contradiction in our society, it still exists within certain limits and sometimes may grow acute. Such being the case, we must maintain high vigilance. Particularly, we must wage a resolute struggle against those who stubbornly cling to the stand of bourgeois liberalization and carry out subversive and destructive activities. With Lei Feng as our example, we must "always have the party at heart," follow the party forever with one heart and one mind, willingly keep a high degree of unity with the party Central Committee ideologically, politically, and in actions. We must have deep love for the people, strengthen unity among ourselves, safeguard the situation of unity and stability, maintain the long-term political stability in our country, and build our army and our country well with one heart and one mind.

We must learn from Lei Feng his idea of serving the people wholeheartedly. For his entire life, Lei Feng put our army's purpose into practice, regarded wholehearted service to the people as the greatest value of life, and "put my limited life into the unlimited service to the people," willingly became a "screw" in the revolution, and subordinated personal interests to the interests of the party and the people. He was the model of being utterly devoted to others without any thought of self. We, all comrades, must follow Lei Feng's example, devote main efforts to solving the important question of "for whom to live and how to conduct oneself," foster a revolutionary outlook on life, keep firmly in mind the purposes of our party and our army, put the interests of the people above everything else, sacrifice everything for the sake of the interests of the people, willingly develop a spirit of self-sacrifice, have deep love for the army and our jobs, love whatever job we are given, strive to learn and master military skills, perfect our skills to defend and build the motherland, and selflessly offer our intelligence and wisdom and even our lives to the people.

We must learn from Lei Feng his "screw" spirit of assiduously studying revolutionary theories. Lei Feng viewed Marxism-Leninism-Mao Zedong Thought as "weapons" and "steering wheel" of life and fighting, assiduously studied and master revolutionary theories, thus laying a solid political and ideological foundation for himself, and kept diaries with sound ideological and philosophical contents, of which many famous remarks had become mottos of the vast number of our youths. The experiences, both positive and negative, of the storm which took place at the turn of spring and summer of this year have once again indicated that in the final analysis, political swings stem from theoretical ignorance and superficial knowledge about theory. To uphold the four cardinal principles in a clear-cut manner, oppose bourgeois liberalization with perfect assurance, and withstand any tests in various stormy waves in the days ahead, we must conscientiously study Marxism-Leninism-Mao Zedong Thought, raise our political and theoretical levels, and enhance our abilities to discern and resist erroneous trends of thought as Lei Feng did.

We must learn from Lei Feng his spirit of plain living and hard struggle. Lei Feng persisted in "setting high demands for work and low demands for everyday life" and constantly maintained the political color of hard work and plain living of a people's soldier. Plain living and hard struggle was necessary in the war years and also necessary in the new historical condition of carrying out reform and construction. As our army's powerful spiritual pillar, plain living and hard struggle cannot be thrown away at any case. With Lei Feng as the example, all members of our army ranging from high-ranking cadres to the rank and file should display the spirit of plain living and hard struggle, maintain the style of hard work and incorruptibility, adhere to the principle of building the country and the army through hard work and thrift, willingly share the party's and the country's worries with a strong sense of being masters of the country, and make more contributions for the improvement and rectification program, the deepening of reform, and the modernization of the army.

In conducting activities to learn from Lei Feng, we must improve the forms and ways in light of the new situation and strive to do them regularly with the stress on practical results. It is necessary to combine the learning of the Lei Feng spirit with the displaying of the "five revolutionary spirits" advocated by Comrade Deng Xiaoping, with the learning of the "spirit of the guardians for the republic, and with the learning of our army's heroes at different stages and outstanding individuals at specific units. Cadres at all levels, in particular, leading cadres, should take the lead in learning and practicing the Lei Feng spirit and strive to achieve a situation in which "we emulate Lei Feng and everybody emulates us," and influence and bring along the troops with their exemplary deeds. Efforts should be made to work out effective measures, to offer better guidance of the activities to learn from Lei Feng, to protect the enthusiasm of advanced elements for learning from Lei Feng, and to

inspire the enthusiasm of the broad ranks of cadres and fighters for learning from Lei Feng. Efforts should also be made to give wide publicity to the outstanding cases coming up in the activities to learn from Lei Feng and strive to create a sound climate in which it is glory to learn from Lei Feng and to be advanced elements. Such erroneous practices as being flashy and without substance, doing things in a massive and unplanned way, and acting on impulse should be avoided or overcome. We should persistently carry out the activities to learn from Lei Feng closely in line with other tasks and education in various fields of endeavor so that they can become the conscious actions of the broad ranks of cadres and fighters.

The era in which we are living is calling the Lei Feng spirit and our people are thinking of it. Our army needs numerous revolutionary fighters of the Lei Feng type. We earnestly hope that with Lei Feng as our example, all comrades in the army will embark on the road Lei Feng traversed, put the Lei Feng spirit into practice, be revolutionary armymen who are always politically qualified, and let the bright banner which the proletarian revolutionaries of the old generation set up for us flutter in our army barracks forever.

XINHUA Series Profiles PLA Units, Leaders

Part One

OW2512045389 Beijing XINHUA in English
0213 GMT 25 Dec 89

["PLA Soldiers Educated To Serve People Wholeheartedly"—XINHUA headline; first of six-part series on People's Liberation Army (PLA)]

[Text] Nanjing, December 25 (XINHUA)—A top leader of Nanjing, capital of east China's Jiangsu Province, recently visited the 179th Infantry Division of the People's Liberation Army to extend thanks on behalf of all the people of his city.

Zhang Yaohua, secretary of the Nanjing City Committee of the Communist Party of China (CPC), called the officers and soldiers of the division the "dearest" of the four million residents of Nanjing. He stressed that the people of Nanjing would engrave on their minds all the good things the soldiers had done for them.

The officers and men of the division, which has been stationed in the eastern suburbs of Nanjing for years, toiled to help construct the nearby Yangtze River bridge, the longest bridge so far in China. They also worked on the construction of the Yizheng chemical fiber integrated complex near Nanjing, the biggest of its kind in the country.

Besides, they have also played a decisive role in renovating and beautifying the Qinhuai River area, a scenic tourist resort.

In addition, they have rushed to deal with emergencies caused by fires, floods, earthquakes and other natural disasters, rescuing a lot of local people and property.

A regiment of the division stationed in Fangshan Township in Jiangning County, helped the local township government establish a school to eliminate illiteracy and train technicians from among the peasants. In the past few years, 1,492 illiterates have learned to read and write and nearly 1,000 technical workers such as accountants, radio and farm machinery repairmen, farming technicians and tailors have been trained in the school.

Due to its success, the school has been highly praised by many visitors, including the participants in an international conference on primary education and elimination of illiteracy sponsored by the United Nations Educational, Scientific and Cultural Organization (UNESCO). The regiment has also helped the township government build a waterworks with a daily capacity of 800,000 liters, making tap water available for the first time to the 8,000 families of the township.

Chen Kaixin, director of the General Office of the township government, said the local people consider the officers and men of the regiment as their own family members.

The Second Howitzer Company of the Artillery Regiment of the division was once stationed at Xiaohuang Village in Dingyuan County, Anhui Province, for five years. When the company moved last February, all the villagers turned out to see them off and offered them cakes, eggs and peanuts they had spent the whole previous night preparing.

The villagers recalled that the company had helped them set up a night school, teaching 54 illiterate villagers to read and write. The officers and men also used various methods to teach the peasants to improve their farming economy, raising the per-ha rice output from 3,000 kg to 7,500 kg and increasing the villagers' per-capita annual income from 250 yuan to 700 yuan in five years.

Moreover, the company also built a first-aid station at a dangerous section of a highway, helping 120 injured people and saving property worth nearly 10 million yuan (about 2.1 million U.S. dollars) in the wake of 670 vehicle accidents.

As the pillar of the people's democratic dictatorship, the PLA places its sole purpose in serving the people wholeheartedly, said Senior Colonel Ji Linyuan, political commissar of the division.

Established in 1938, the division took part in the anti-Japanese war (1937-1945), the liberation war (1946-1949), the war to resist U.S. aggression and aid Korea (1950-1953) and battles against foreign invasion at the southern border of the country in 1979. In 1948 the division, which was at the time a brigade, rendered

meritorious service during the storming of the heavily fortified city of Linfen in north China. It was since renamed "Linfen Brigade."

During peacetime, following the founding of the People's Republic of China in 1949, Senior Colonel Ji explained, the ways of serving the people include consolidating national defense, safeguarding the motherland and the people's peaceful work as well as taking part in the country's material, cultural and ideological construction.

The first lesson for a new soldier is education in serving the people wholeheartedly, Senior Colonel Ji said.

After coming to the army, new soldiers are soon organized to study the article entitled "Serve the People" written by Mao Zedong, late chairman of the CPC and founder of the People's Republic, he continued.

The article calls on the whole army and the whole nation to learn from Zhang Side, a soldier of the Red Army, predecessor of the PLA, who devoted all his life to serving the people.

In order to get the new soldiers to inherit the division's good tradition of serving the people, Senior Colonel Ji said, they visit the exhibition room of the division's history and watch films and video tapes about the traditions of the division. Meanwhile, they are given lectures by their older comrades as well as local model workers and peasants on how to serve the people wholeheartedly.

The division now has three infantry regiments, one artillery regiment and some specialised battalions and companies, according to Colonel Zhang Xiucui, commander of the division. He added that there are a total of over 10,000 officers and men including a small detachment of female soldiers who are mainly engaged in medical and telecommunication work.

Senior Colonel Ji said the new soldiers are also organized to take part directly in activities serving the people, such as helping the peasants with the harvest and looking after lonely aged people.

Of course, he stressed, the main task of the army is to carry out military training to safeguard the country and the people. However, he added, there is a rule in the division that every officer or man must spend at least 10 days of their spare time helping the local people every year.

Part Two

OW2512051189 Beijing XINHUA in English
0217 GMT 25 Dec 89

["Age of Army Officers Falls, But Education Level Rises"—XINHUA headline; second of six-part series on People's Liberation Army]

[Text] Nanjing, December 25 (XINHUA)—Officers of the Chinese People's Liberation Army are now much younger and better educated than they were in the past,

says Senior Colonel Zhang Degen, director of the Political Department of the 179th Division of the PLA Infantry.

He told XINHUA that all officers of his division at platoon level are now around 20 years old, those of company level are under 30 and those of battalion and regiment level are under 40. The average age of all officers in the division is now only 43.

Furthermore, Senior Colonel Zhang said, all the officers have received an education higher than senior middle school and most of them are graduates from colleges or polytechnic schools. Almost all of the division's officers at the levels of platoon and company are graduates from military universities or schools.

In 1979, the PLA stopped promoting officers from the ranks. Since then, military schools and universities have become the main sources of new officers. There has been a rule that the age of officers at or under the level of regiment should not be higher than 40 years and that of division should not be above 50 years.

The education level of new soldiers must not be lower than junior middle school for those from the countryside and senior middle school for those from urban areas.

First Lieutenant Wang Jie, 23, graduated from a senior middle school in Yangzhou City, east China, in 1984. He sat an examination of the Artillery Department of the Nanchang Ground Force Institute and was enrolled.

During his four-year stay in the military institute, he studied 13 subjects, including mathematics, physics, chemistry, foreign language, history, politics and computers in addition to many military subjects. Upon graduation in August last year, he became a first lieutenant and was assigned to the leadership of the First Platoon of the Sixth Company of the Second Battalion of a regiment of the 179th Division.

He said confidently that he had made good friends with all 28 soldiers in his platoon and his work was going smoothly.

Major He Wei, deputy chief of staff of the regiment, commented: "As a platoon leader, Wang Jie is competent and he has done well in all fields of work in the platoon."

Some officers in the division were soldiers before being sent to military schools or universities to study for some years. Then they returned to the division to be officers.

Jia Huiwen, 26, joined the army in 1983. He studied so hard that he was able to operate a mortar by himself within 20 days of joining up. He also performed well as a squad leader, and so he was sent to a military school to study for two years. He returned to the division to become a platoon leader.

Only in exceptional cases is an officer promoted from among squad leaders.

Gu Weicun was so skilled in military techniques that he won 34 gold metals in 21 inter-division military contests during his eight-year service as a soldier in the division. He was also recognized as a national outstanding squad leader. Earlier this year, the division leadership broke the rule to promote him to be deputy commander of the Fifth Company of a regiment, with the rank of first lieutenant.

Senior Colonel Zhang Degen said that officers promoted from the ranks before 1979 who have not received a higher education are encouraged to study on their own.

In the past, 106 officers in the division, including two regiment leaders and three regiment political commissars, have graduated through independent study from schools of higher learning.

Of course, he said, some officers will retire and younger, better educated and more competent men will be promoted every year. This means that the age of the army is falling while its education level is rising.

Soldiers in the Chinese army are encouraged to learn general knowledge or production techniques.

Senior Colonel Zhang Degen says the division has organized more than 4,000 soldiers for such education; 319 of them have been enrolled into military schools and universities and some others have upon retirement from the service become skilled electrical technicians, vehicle mechanics, agricultural workers, painters or calligraphers.

Senior Colonel Zhang Degen said proudly: "During the warring period, the PLA contributed much to the preparation for the founding of the People's Republic of China by training many men of wisdom and valor. Since the country has been focusing its attention on economic construction, the army, as a big school, has continued to play such a role."

Part Three

OW2512054689 Beijing XINHUA in English
0243 GMT 25 Dec 89

["Officers and Men Share Weal and Woe"—XINHUA headline; third of six-part series on People's Liberation Army]

[Text] Nanjing, December 25 (XINHUA)—Every month Yang Xiping, a deputy leader of a kitchen squad of the 179th Division of the PLA, reports on the squad's budget.

"As a member of the company's 15-member soldiers' committee, I am also responsible for collecting opinions and criticism on the food from my comrades," Yang said.

"In every company of the PLA there is a soldiers' committee, which is obliged to make suggestions for military training, check budgets and discipline, make recommendations for selection of candidates from

among the men for military academies and offer opinions on military awards," said Liu Bihu, a deputy commander of the Second Battalion of the Division.

Liu, a captain, explained that political, economic and military democracy differentiate the PLA from other armies and is one of its "magic weapons for conquering the enemy".

Showing his account book, Yang said, "Our company commander has taken 2.5 kg of oil, six kg of pork, 15 kg of rice and 20 kg of Chinese cabbage from the kitchen since his wife came. All the expenses recorded here will be deducted from his wages.

"Our soldiers' committee is also responsible for collecting criticism of officers, reviewing major decisions made by the company and reporting matters in a timely fashion to higher authorities about violations of discipline and encroachment on soldiers' interests," Yang said.

Once a commander made a one-sided decision to promote squad leaders, without asking for opinions from the soldiers' committee; this touched off a lot of complaints.

The soldiers' committee reported the matter to the regimental authorities. Later the authorities found the company commander had violated the principle that "major decisions should be made by the whole leading body and submitted to the soldiers' general meeting for approval when necessary."

As a result, the company commander's previous decision was annulled and he received a penalty.

Liu Bihua stressed that all the activities of the soldiers' committees are conducted according to the principle of democratic centralism and are well organized in a bid to enhance army unity and combat capability.

The PLA officers and men enjoy equality and should be on close terms with one another, explained Ji Linyuan, political commissar of the 179th Division, adding, "Only with unity between officers and men can the strict enforcement of orders and prohibitions be guaranteed."

Recently, Ji led an army group on a field mission and the men had to take up quarters in the open. Because there were too few tents, some 150 officers offered their own tents to soldiers and slept in the rain.

It is commonplace in the division for officers to help soldiers wash clothes and sew quilts, stand sentry duty for soldiers on holidays and send food to those sick in bed.

The interior service regulations of the PLA stipulate that platoon leaders must eat and live together with soldiers, and join them in military training, labor and recreational activities.

"Our soldiers must obey orders, and we officers are strict with them, but we also pay close attention to helping

them solve their problems," said Tang Yongqi, political instructor of a guards company.

"The reasonableness of the soldiers results from the sincerity of the officers," Ji said, adding, "their trust will in turn encourage officers to improve their behavior and lead soldiers to avoid misunderstandings and friction."

Part Four

OW2612053389 Beijing XINHUA in English
0206 GMT 26 Dec 89

["Bustling But Colorful Army Life"—XINHUA headline; fourth of six-part series on People's Liberation Army (PLA)]

[Text] Nanjing, December 26 (XINHUA)—The loud, clear sound of reveille breaks the silence of the barracks. It is sharp on 6 a.m.

Within seconds, soldiers of the 179th Division of the People's Liberation Army stationed in Nanjing, capital of East China's Jiangsu Province, line up amid shouts of command. It is the beginning of a busy day of military training.

"The soldiers are in their three-month-long basic training, which started earlier this month," the division commander, Zhang Xiucui, told XINHUA at the training ground.

The basic training includes formation drill, smallarms shooting, grenade throwing, basic tactical training and gymnastics.

In addition to the infantry, the 179th Division has engineers, artillery, antichemical warfare groups, armored groups, signalmen and technicians. Zhang said: "After the basic training they will have their special training."

Soaked in mud and sweat, Li Dong, a private, said the training was really hard.

Showing his bare elbows, the new recruit said: "My clothes have been patched up several times in the past six months."

His squad leader, Lu Kaicheng, said: "We are trained strictly according to the training program and are trying to learn all the skills needed in fighting a war."

Lu learned tactical techniques and military teaching methods for eight months in a special training unit before he assumed his present position.

Zhang said: "Our military training strategy is to prepare against an enemy's invasion and safeguard the independence and territorial integrity of the motherland.

"To strengthen the combined combat capability of various arms, we regularly conduct manoeuvres on the basis of a regiment and division."

Army life is always strenuous. But even those university students who have been to the division for military training have enjoyed it.

At weekends and during holidays soldiers can enjoy a variety of recreational activities in the barracks.

Every regiment has a "soldiers' home", which consists of recreation rooms, libraries, air-gun shooting rooms, teaching rooms, reading rooms and chess rooms.

The "home" opens to the soldiers at the weekends and on holidays.

All the companies are assigned television sets by the PLA General Political Department and soldiers can watch one or two films a week, and artistic performances offered by army and civilian art troupes on major holidays.

But soldiers consider parties organized by army units are the most enjoyable because they can get more soldiers involved in the public performances.

Yan Lidong, a soldier who was recruited last February, still cherishes the memory of winning the top prize by performing a break dance at the evening party held on August 1 this year to mark the birthday of the PLA.

Yan said: "I did not expect that I would ever have a chance to dance in the army."

Others find opportunities to display their music and painting talents in the army.

Zhang Rongjun, a soldier in the Guard Company, is now the leader of an amateur guitar team in his company. During breaks in military training, he and his guitar partners often play to their fellow men local and popular songs and the music of Beethoven and Mozart.

Xiong Shule, deputy-director of the Political Department of the 179th Division, said his department is responsible for recreational activities and every year it must allocate a certain amount of funds to buy musical instruments and sports equipment and sponsor recreational activities.

He said: "We officers must be well prepared when major festivals come because soldiers are likely to ask us to give impromptu performances."

Part Five

OW2612053789 Beijing XINHUA in English
0224 GMT 26 Dec 89

["Army Food Production Raises Soldiers' Living Standards"—XINHUA headline; fifth of a six-part series on today's People's Liberation Army]

[Text] Nanjing, December 26 (XINHUA)—Army food production, which once saved the PLA from starvation and cold during the warring time, is now helping to raise the living standard of Chinese soldiers.

The standard daily food allowance for a soldier set by the PLA's General Logistics Department is 1.9 yuan (0.4 U.S. dollars), or 500 grams of grain, 750 grams of vegetables, 50 grams of bean products, 50 grams of meat and 50 grams of fish or poultry or eggs, according to Major Wang Shujie. Aged 32, he is chief of the general logistics section of a regiment of the 179th Infantry Division of the PLA, which is stationed in the eastern suburbs of Nanjing, capital of Jiangsu Province in East China.

Thanks to army food production, however, the actual living standard of the PLA soldier is much higher than that criterion.

He told XINHUA that his division had a farm with 267 hectares of cultivated land, 20 hectares of fishponds, 4.7 hectares of vineyards, eight hectares of vegetable gardens and four hectares of ponds for growing lotus roots. Besides, he added, the division had a plastics factory, a winery and a pharmaceutical factory.

Colonel Cheng Wenkai, political commissar of the farm, said that last year it provided the soldiers of the division with 300,000 kilograms of grain, 500 kilograms of fish, 2,500 kilograms of pork and 30,000 kilograms of soy beans.

The staff of the farm is only 17 officers and a soldier who is concurrently a driver. Most of the farm work is done by machinery. The laborers of the farm are officers and soldiers temporarily transferred from the regiments of the division. Experienced peasants and horticulturists are invited to guide the production.

Since late November, more than 2,000 officers and soldiers have been transferred to the farm to renovate its water conservancy projects. Colonel Cheng said a good harvest is expected next year.

Workers and staff of the factories in the division are mainly wives and grown-up children of the officers. With more than 100 workers and staff and an advanced production line, the pharmaceutical factory is now producing a dozen varieties of medicines. The value of the factory's annual output surpasses 120,000 yuan (25,600 U.S. dollars).

Besides the farm and factories directly under the division, there are farms, vegetable gardens and factories under every regiment that are worked by soldiers and officers of every company.

Major Wang Shujie said his regiment had four hectares of land for growing grain, 4.7 hectares for vegetables and 2.7 hectares of fishponds. The regiment's annual output of vegetables alone was more than 200,000 kilograms, realizing self-sufficiency in vegetable supply.

He said every company had a workshop for making bean curd and a dozen kinds of pickled vegetables.

Every regiment has its own pig farm. On average, the pig farm of his regiment provided every soldier with 880 grams

of pork every day last year, which was much higher than the criterion set by the PLA general Logistics Department.

The regiments also have their own factories. The automobile repair plant of the artillery regiment of the division led by Zhang Jinzhu, a former driver, made a profit of 500,000 yuan (106,000 million U.S. dollars) last year.

Part Six

OW2712030389 Beijing XINHUA in English
0115 GMT 27 Dec 89

["Family Life of Army Officers"—XINHUA headline; sixth and last part of six-part series on People's Liberation Army]

[Text] Nanjing, December 27 (XINHUA)—On off days, Liu Zhongcheng, an army officer in the 179th Division stationed in Nanjing, capital of East China's Jiangsu Province, tries to do all he can to relieve his wife of the household chores.

But his wife, a hospital nurse, refuses his help and asks him to take a rest.

Liu, a company political instructor, says: "My wife does all the washing and cooking and takes care of our baby boy on weekdays, so I just want to share the household chores with her when I am at home on off days."

His wife, however, considers it a pleasure to let her husband enjoy a day off after busy military activities.

Liu and his wife met each other four years ago and married last year.

Chen Xia, head of the match-making office for army officers in the Baixia District of Nanjing, says nowadays more and more Chinese girls like to find army officers for husbands, although they know that in family life they themselves will shoulder almost all household chores.

Since the office opened a few years ago, Chen says, it has received 5,600 clients, of which three quarters are civilians and one quarter army officers.

The clients include university lecturers, white-collar workers, doctors, nurses, engineers and factory workers.

"In the girls' eyes, army officers are manly and heroic in bearing," the 58-year-old Chen says, adding: "Moreover, they think a wife of an army officer is usually respected by others."

With the help of the office, dozens of couples have married.

Like Liu's wife, many wives of army officers in the 179th Division are willing to shoulder most of the household chores to let their husbands concentrate their minds on army work.

Wu Guangmei, wife of a battalion political instructor, has received a divisional award this year for being a "good wife" in her dedication to the support of her husband.

Officers in the division get married around the age of 25 and no one older than 30 is not married.

In China local governments give preferential treatment to families of army officers and to soldiers and their relatives. They receive privileges in sending their children to kindergartens and schools, and in the allocation of housing.

Soldiers usually find wives in their hometowns when they return there after their three years in the army.

Economic & Agricultural

Overall Balance, Centralization Viewed

HK3012020889 Beijing RENMIN RIBAO in Chinese
8 Dec 89 p 6

Article by Wang Jiye [3769 4480 2814]: "Several Questions on Achieving Overall Balance and Restructuring"

[Text] The 5th Plenary Session of the 13th CPC Central Committee put forward the main objective of further carrying out rectification and consolidation, so far as I understand. This includes both the requirement for achieving an overall balance, and the task of restructuring. The former mainly refers to a gradual drop in the inflation rate, a remedy for the excessively issued currency, a steady economy with an appropriate growth rate, and so on. The latter mainly refers to a readjustment of irrational aspects in the composition of industries, a stimulation of gradual growth in major agricultural products, and a gradual ease in the contradictions between insufficient supply of energy and raw materials, and insufficient transportation capability.

In China's macroeconomic management, it has long been our primary objective that while achieving an overall balance, we strive to do well in the restructuring, so as to make them rationalize and optimize. In order to maintain an overall balance, we must particularly check the aggregate demand of society, in particular, the ultimate demand of society, namely, the demand for investment and consumption, and take it as the focal point. To restructure mainly refers to the act of readjusting the economic structure of ownership, that of income distribution, that of consumption demand, the composition of industry and investment, as well as the regional framework. Its core is a readjustment of the composition of industries. Only when the demand for investment and consumption is effectively checked, and the composition of industries is improved, can we overcome the difficulties encountered by our economy, and can our national economy develop in a continuous, steady and coordinated manner.

We Must Fully Understand the Difficulties in Checking the Aggregate Volume and the Restructuring

China saw two large-scale restructurings in its economic construction. The first one took place in the 1960's, and the second one in the early 1980's. In these economic readjustments, we made remarkable achievements and gained valuable experience by controlling the aggregate volume and restructuring. Beginning this year, we shall spend 3 years or more on further implementing the principle of rectification and consolidation, and carrying out in-depth reforms, which was adopted by the 13th CPC Congress. In essence, we have to conduct another restructuring under the new situation of opening up and reforming. Many new things emerged in this restructuring, as did new problems and difficulties. If we say that the imbalanced aggregate volume solved by such economic restructuring in the early 1980's was mainly caused by an excessive demand for investment, we must tackle in this economic restructuring the inflation in demand for investment, as well as the excessively rapid growth in the demand for consumption. To a considerable extent, the inflation in the demand for investment and consumption is supported by financial and credit deficits, and it has become very difficult to go on like this. If we say that the economic restructuring in the early 1980's was done under the circumstances where prices were basically steady, this economic restructuring was started under the circumstances where both inflation and prices soared. An enormous volume of purchasing power and currency in circulation has posed threats to the balance between supply and demand in the market. Whether it refers to the control of the aggregate volume or the restructuring, it is a real problem. If we say that the economic restructuring in the early 1980's took place mainly because we had to cut the excessively rapid growth in heavy industry, and we had to encourage development in agriculture and light industry, then the purpose of this economic restructuring is to suppress the inflation tendency in ordinary processing industry, and to greatly boost agriculture and the fundamental industries, in particular, the construction of energy supply, fundamental raw materials, and transportation. The growth of agriculture became slackened after 1985, along with grain production. From now on, we must speed up the agricultural development. In addition to adopting other measures, we must increase our investment in agriculture, and must promote a more rapid development in industries related to agriculture. Again, this is hindered by a shortage of funds. Recently, China's energy industry and fundamental raw materials industry grew rapidly. However, the contradictions between the two have become more acute than ever because of rapid development in ordinary processing industry, which was propelled by the inflation in consumption demand. Furthermore, the transportation capability has been very tense. The amount of funds required for investment in fundamental industries is so huge, its period of construction is so long, and the profit so yielded in a distorted pricing system is so low, that such investment is very risky. Compared to the situation in the early 1980's

when we adopted the policy of "giving priority to six aspects", and we successfully developed in a relatively short time, the light industry from its poor base and short construction period, the present one is obviously different and we need to solve problems and difficulties in many aspects. If we say that the economic restructuring in the early 1980's was done in a state where the circulation was relatively closed, reforms in the rural areas were just begun, reforms in urban areas were carried out only at specific experimental sites, the extent of opening to the outside world was limited, and the pattern of economic interests was not so sophisticated as it is now; then a diversified subject of interests has been formed, touching on the current pattern of interests, which will inevitably affect many aspects. Moreover, we must handle well the relations between a healthy internal economic circulation and opening up, insist on self-reliance, and effectively participate in the international exchange and international competition. Only when all cadres and the masses, in particular, leading cadres at all levels, have fully studied those problems and difficulties, can they seek a common understanding, and can they be determined to take resolute measures to consciously check the aggregate volume, carry out restructuring, and complete the task of rectification and consolidation, as well as developing in-depth reforms.

To Do Well In Restructuring Under the Prerequisite of Effectively Checking the Aggregate Volume

In our economic life, imbalanced aggregate volume and imbalanced structure are twin sisters. Under the circumstances where the aggregate volume is out of balance, the structure generally becomes irrational or even deteriorated. This not only makes the aggregate volume lose its firm basis, but will also make sooner or later, the aggregate volume lose its balance. With respect to their influences on the economic life, however, they are not the same at a given time. A seriously imbalanced aggregate volume will shortly bring great shocks to the economy, which will be mainly manifested by inflation and a sharp rise of prices. The influence of imbalanced structure on economic life is marked by step-by-step development. Only when the accumulation has reached a certain level, will it bring great shocks to the economic life. This by no means underestimates the imbalanced structure. Rather, we mean that when the structure becomes so seriously imbalanced that it would integrate with the imbalanced aggregate volume and would adversely influence the economic life. It is very important that we should seriously consider this situation, and correctly handle the relations between the work of checking the aggregate volume and that of restructuring.

We should first realize that, in the economic restructuring, we should not simply think that checking the aggregate volume is an easy task because the major problems are related to restructuring. If we fail to check the aggregate social demand, the difference between supply and demand will be further widened, inflation will not be effectively rectified, prices will stay at a high level, and it will be difficult for us to stabilize the whole

economy. If the price dropped because of an enormous amount of financial subsidies and not because of an effective supply or a suppression of the demand, such contradictions will be passed onto the financial sector, and then onto the pricing sector, so that the price index will bounce back. At the same time, judging from the viewpoint of suppressing the demand for investment and consumption, it is also very difficult to check the aggregate volume. An excessively rapid growth in demand for investment will not only make funds and investment materials become insufficient, but will also leave a portion of our production capability untapped because the supply of energy and raw materials cannot be guaranteed. Besides, part of the investment (about 40 percent in China) needs to be directly or indirectly transformed into demand for consumption. This will in turn encourage a further expansion of demand for consumption. Therefore, it is inevitable that we must suppress the investment tendency. If we suppress indiscriminately, however, we shall be unable to provide guarantee for the state's key construction, key products and key enterprises, which will directly affect the reserve strength of our national economic development. On checking the demand for consumption, it is needless to say that the work is more difficult. If we take into consideration the external economic exchange, the difficulty in checking the aggregate volume becomes more obvious. We must not take a flexible attitude toward the suppression on imports because of China's present composition of industries. Furthermore, we must, during the restructuring period, appropriately suppress these imports, and put an end to the recent situation in which we import the means of production on large scale to support a high growth rate. To achieve this aim is not an easy task.

Second, we must not simply think that the purpose of checking the aggregate volume is only for a recent economic development, while that of restructuring is for a long-term economic development. Frankly, a seriously imbalanced aggregate volume requires us to take resolute measures for solving the problem within a short time. However, the primary purpose of such solution is for a long-term and steady development of the national economy. Moreover, we shall be unable to make any actual progress in restructuring until problems concerning the imbalanced aggregate volume are solved. Oversupplied products that are subject to readjustment are still available and, to a certain extent, are further developed because there is an excessively great demand. Undersupplied products in respect to which the production needs to be supported and encouraged are still in high demand because the demand grows so rapid that the shortage has been intensified and the bottleneck is still there. Therefore, in the short-run, the work of checking aggregate volume is a prerequisite for restructuring. Whereas in the long-run, the work of checking aggregate volume and that of restructuring are complementary and they must be carried out simultaneously. The longer time we spend on restructuring, the more frequently we should check the aggregate volume. Only thus can it be

possible for us to gradually and comprehensively rationalize and optimize the composition of industries.

Third, we must not think that the work of checking aggregate volume is simply a contradiction of the surface level in the economic life, or that only restructuring is the contradiction of a deeper level in the economic life. Indeed, by using their direct perception, people may sense contradictions in their economic life, such as the supply-demand situation of products, shortage of funds, and so forth. Likewise, there are deep-rooted contradictions in the economic life. They are fundamental contradictions that have an important bearing on the overall economic situation and the long-term development. Only by analysis and study can we understand them better. In China's economic life, the distribution of agriculture among its population, that of agriculture and industry, that of fundamental industry and processing industry, that of imported industries and China's original ones, that of foreign exchange consumed by export industry and that by import industry, and the regional distribution of industries are contradictions at a deeper level. There are such contradictions related to the aggregate volume and those related to the structure. Only when we integrate the work in these respects and act in a coordinated manner can we gradually solve the contradictions. Now, some contradictions at a deeper level have been exposed, to which we must attach great importance. It is impractical for us to assume that we can solve all these contradictions in this economic readjustment. Nonetheless, it is possible and is an obligation for us to solve or partly mitigate contradictions related to a certain aspects. To put it in a nutshell, we must estimate by analyzing the current economic situation in a truth-seeking manner, find the contradictions at a deeper level by beginning our work at the surface level, and depend on our work checking the aggregate volume and restructuring. Only thus can we do well in the economic readjustment and achieve our expected objectives.

Work of Checking Aggregate Volume and Restructuring Depends on the Improvement of Economic Results

The work of checking aggregate volume should be favorable to the restructuring, and vice versa. These two should not conflict with each other. The key to achieve this rests with the improvement of economic results. In the economic readjustment, when a high industrial growth rate is gradually reduced back to the normal level, we need to use enhanced economic results to solve numerous contradictions and problems. In particular, we need to make up for the loss in fiscal revenue because of the drop in growth rate. We should take this opportunity to change the orientation of our economy from speed to economic results, and to really strive for economic results while increasing the development speed. Therefore, the growth in China's fiscal revenue will be really based on the improvement of economic results. In order to realize this principle, we must give great support, such as funds, energy, raw materials, to the production of products which yield good economic results and are necessary for the long-term development of the

national economy, and encourage their development. Meanwhile, we must adopt a variety of means to force producers to replace the production of products which yield poor economic results and are not necessary for the long-term development of the national economy, or even eliminate the production of some of those products. Otherwise, it will be impossible for us to put an end to the tense situation in which funds, energy, raw materials and transportation are insufficient; and to earnestly ensure and strengthen the production and construction of key products, key enterprises and key projects.

The basis for implementing the principle of economic results is to promote technological progress, while we improve the operations and management, and there is no more wastage. We have great potential in these respects. In particular, we should, during the economic readjustment, pay attention to the improvement of economic results. The economic results of a structure refer to the overall ones. This not only depends on the rationality of proportions among industries, but is also subject to the national economic development. Judging from China's situation, industries such as agriculture, fundamental industry and transportation industry are the ones yet to have their economic results improved, and are the key points. In order to strengthen the construction of these industries, we need to take measures in various aspects. The most prominent one is the problem concerning funds and investment sum. In order to make more investment, we have to first increase the amount of funds, that is, to allocate funds for expanded reproduction from the new profits. However, some trades have already suffered losses so serious that they simply cannot stand any longer. Therefore, to them, making additional expanded reproduction is out of the question. Second, we have to readjust the amount of funds on hand, so as to attract the funds of society. But it is difficult to promptly put an end to the situation because this is subject to complicated interest relations. Third, we have to depend upon the investment made by the state. The present situation is one in which the financial strength of the state is so tense that any investment made in a weakened area will inevitably affect other areas. Thus, it is difficult to attract more investment in this manner. At present, our solution is to find the way out among the difficulties. After comparison, we prefer to readjust the amount of funds on hand, which will be taken as the primary means. At the same time, we shall increase the investment in certain areas (this may play a minor role because of limited quantity) to ease the shortage of funds faced by the weakened areas. Inevitably, this will involve the present pattern of economic interests. This is also the essence and real difficulty of our rectification and consolidation, and the work of carrying out in-depth reforms. Therefore, in the course of rectification and consolidation, we must, on the one hand, maintain the stability and continuity of policies, and avoid bringing great shocks to the pattern of interests. On the other hand, we must readjust those areas which are needed, so as to ensure that the purpose of and measures for

rectification and consolidation are realized and implemented. In order to achieve this, we must, during the rectification and consolidation, appropriately centralize the macroeconomic management on the basis of giving play to the initiative of localities and enterprises, strengthen centralized planning, appropriately strengthen and improve the mandatory plans, and perfect the measures for implementing the guidance planning. When planning, we must strive to work by making reference to economic data. In implementing the plans, we must strive to use less or even avoid using administrative measures whenever the economic ones are available, so as to create conditions for building a system of macroeconomic management in which all readjustment means are comprehensively used.

PLA Role in Economic Reconstruction Outlined

OW1101063890 Beijing XINHUA in English
1529 GMT 10 Jan 90

[Text] Beijing, January 10 (XINHUA)—The officers and men of the Chinese People's Liberation Army (PLA) have participated in 20,000 state construction projects and 6,000 public welfare undertakings over the past decade.

These included construction of water-diversion projects in the port city of Tianjin, a tunnel in the mountain city of Chongqing in southwest China's Sichuan Province, the Beijiang railway line in Xinjiang, a highway linking the industrial cities of Shenyang and Dalian in northeast China, the Yangtze River bridge at Jiujiang, the Qinshan Nuclear Power Station in Zhejiang and expansion of the Shengli oilfield in Shandong.

So far, 56 airports, 300 railway feeder lines and 90 telecommunication lines for military use have been opened for civilian use. To increase the port handling capacity in some coastal areas, the army has turned over 20 military docks to civilian use.

Military institutions and research units have transferred 6,000 scientific and technological research findings to production units and trained 1.68 million technicians.

In addition, a great number of soldiers have gone down to the rural areas to help farmers develop a diversified economy, built township-run enterprises, and helped with capital construction and water-conservation projects.

Article Views Opening Up Policy

HK0301073090 Hong Kong TA KUNG PAO in Chinese
29 Dec 89 pp 1, 2

["Special article" by Ji Chongwei (1323 1504 1218), executive director of the Economic, Technological, and Social Development Research Center of the State Council: "Economic Improvement and Rectification Is Conducive To Opening Up to the Outside World"]

[Text]

I.

Opening up to the outside world is a basic national policy of our country and an objective need for going with the tide of the contemporary world and realizing the strategic targets of our modernization drive. The practice over the past decade shows that opening up to the outside world has invigorated our economy and helped quicken the pace of our economic and scientific development, narrow the gap between our country and the developed countries in this respect, and increase the people's livelihood. Having benefited from reform and opening up, the Chinese people are wholeheartedly supporting the policy of reform and opening up.

After the June turbulence, some people were apprehensive that China's policy of opening up to the outside world might change. On this question, the 4th and 5th Plenary Sessions of the 13th CPC Central Committee and the Chinese party and government leaders have repeatedly emphasized that China will continue to follow the line of reform and opening up and will never return to the old path of closing the country. Judging from the concrete policies adopted by the Chinese Government over the past 6 months or so, we can see that there are no changes in the original policies of opening up in the four major spheres. In other words, the policy on foreign trade, the policy on using foreign capital and introducing advanced technologies, the policy on special economic zones and coastal open areas, and the policy on economic and technological exchange and cooperation with other countries have all remained unchanged. This has been proved by the facts of the past 6 months. There is no need for doubt.

II.

The question to be discussed in this article is: The relationship between the on-going economic improvement and rectification and the policy of opening up, whether economic improvement and rectification will obstruct, affect, or benefit the work of opening up to the outside world.

My brief answer to this question is: It will not obstruct, but will temporarily affect, the work of opening up; but judging from a long-term point of view, it will create more favorable conditions for opening up to the outside world.

In the stage of economic improvement and rectification, China's foreign economic and trade activities will be changed from the past practice of pursuing quantity and speed into a practice of stressing quality and returns. This is mainly expressed in the following spheres:

First, the speed of foreign trade development will slow down while the management will be strengthened, the structure of import and export commodities be improved, and economic returns be increased.

The general objective of economic improvement and rectification is to curb demand, increase effective

supply, tighten money supply and reduce credit, stabilize commodity prices, readjust the industrial setup, and balance international payments. In order to pay back the principal and interest of foreign debts that are due in the early 1990's, China's should change its past unfavorable balance in foreign trade into a favorable balance, or at least maintain a basic balance. Thus, it is necessary to readjust the structure of its import and export commodities through strengthening administrative management and economic levers (exchange rate and tax rate), increase export, and reduce import. To put it in more concrete terms, it is necessary to expand the export of finished products and those commodities that have high additional values and are competitive in the international market, restrict or prohibit the export of those commodities that are raw materials in short supply in our country, restrict or prohibit the import of high-grade consumer and luxurious goods, and reduce the import of the equipment and means of production that can be replaced by our national products. This will affect the scope and development speed of foreign trade in the next 2 or 3 years. But at the same time, the structure of our country's import and export goods will be rationalized, the proportion of advanced technologies and key equipment will be increased in the total import, the economic returns will be increased, and the situation of international payments will also be improved. **Second, the general scope of absorbed foreign capital, especially of foreign debts, will not be expanded. The orientation for foreign investment will become more rational and economic returns will be increased.**

Over the past year or so, China's foreign debt has been increasing very fast, though it has not yet gone beyond the cordon of the foreign debt redemption rate. The lessons of some other countries which have got stuck in the mud of foreign debts tell us that in order to prevent excessive burden of foreign debt, it is necessary to exercise strict control over its expansion. A cautious policy should be adopted toward the contracting of new foreign loans, especially commercial loans. Of course, we should continue to welcome and try to obtain as much as possible the concessional loans provided by some international financial institutions and foreign governments with a purpose of helping our country in developing agriculture, communications, energy production, and basic facilities. But generally speaking, in the use of foreign funds, we should lay the stress on absorbing foreign investment. In the recent period, affected by the investment desire of foreign investors and restricted by the internal digestive capability, it is expected that foreign investment will not be greatly increased or will even be reduced compared with the past 2 years. However, we must not be discouraged by this. We must understand that it is an objective law that foreign investment is affected by various domestic and international factors and is always changing. It cannot be rising all the time. What is important is that we must first, proceeding from our realities, concentrate our efforts on the running of the 8,000 to 9,000 foreign-funded enterprises which have been put into production and ensure that they can

give full play to their production potentialities and achieve good economic results under normal production and management conditions. This is an important matter concerning whether our country is able to effectively make use of and attract more foreign funds. Second, we must enthusiastically help both Chinese and foreign sides and firmly grasp the construction of those projects that have been approved by the government and are now under construction. Now there are about 10,000 foreign-funded enterprises under construction, with a total foreign investment of more than \$10 billion. If we can have these projects completed and put into production as early as possible, they will undoubtedly play a great role in increasing effective supply, improving industrial structure, increasing export to earn more foreign exchange, substituting imports, and increasing our technological and management levels. Third, we must guide the new foreign investors to suit the macroeconomic demand of our national economy and our industrial policy and to help our country optimize the industrial structure and increase the technological level. To this end, it is necessary to attach importance to some well-selected investment projects and make a conscientious study of their feasibility. Meanwhile, it is necessary to make great efforts to improve both soft and hard investment environments, for example, revising and perfecting some laws and regulations, such as the "law on Sino-foreign joint ventures," and improving communications and energy and raw materials supply. **Third, to continue to run well the special economic zones and the coastal open cities and areas and to further promote the development of an export-oriented economy.**

Apart from doing a good job in economic improvement and rectification, these areas must also attach importance to the following three links: Improving the investment environment, readjusting the industrial structure, and achieving better economic results. They must endeavor to increase the quality and level of opening up to the outside world and to promote the economic development in the hinterland by linking their work with that of the relevant departments in the hinterland. **Fourth, to further expand foreign economic and technological exchange and cooperation.**

Apart from strengthening and promoting the exchange and cooperation with the developed Western countries, it is necessary to lay the stress on developing economic and trade relations with the Asia-Pacific region. It is particularly necessary to promote the close relationship between the interior on the one side and Hong Kong and Macao on the other in the economic, science, and technological fields, expand trade relations and industrial cooperation between both sides of the strait, and actively promote border trade and diverse forms of industrial, agricultural, and technological cooperation with the northeast, northwest, and southwest neighboring countries so that we can gradually open up to all other countries.

III.

In the period of economic improvement and rectification, we must also make concrete efforts to improve and deepen the reforms of the foreign trade, foreign exchange, and foreign fund management systems and overcome the defects and certain disorder of our foreign economy and trade in the previous stage. For example, we must continue to screen those excessive and unqualified foreign companies, strengthen quality inspection of import and export commodities, strengthen management over the execution of contracts, eliminate the phenomenon of competition among various areas and various enterprises on an unequal basis, and harmonize and unify the prices of import and export commodities, so that our foreign trade order and circulation can be improved and our national prestige in foreign trade can be restored and so that foreign businessmen can feel safe in doing business with China.

I believe that through economic improvement and rectification and deepening reforms, China will surely be able to overcome its current economic difficulties and get onto the track of healthy, sustained, steady, and harmonious development. At the same time, a sound basis will be laid for China to open wider to the outside world and to further promote its foreign economic and technological exchange and cooperation.

Economic Growth Fueled by Credit Increases

HK0801002090 Beijing RENMIN RIBAO in Chinese
2 Jan 90 p 5

[Article by Wang Shuyao (3769 2579 3852): "A Brief Analysis of Economic Growth Based on Credit Increases"]

[Text] Why did the present difficulties appear after our national economy grew at a high speed through 10 years of reform? In my opinion, this was because in the last 10 years, our economy mainly advanced along the course of using credit increases to support the high economic growth speed. So this growth model can be called "a credit increment type of economic growth." In this economic growth model, the banks first increased money supply through giving more loans directly to various enterprises, and the enterprises then used the money to purchase capital goods and to make investments to expand the scale of production. This then supported the high speed of economic growth.

We may find both microeconomic and macroeconomic data to support the above proposition.

First, in the microeconomic field, we may find that localities and enterprises which achieved more loans would grow faster, and those which achieved less loans would not grow as fast. For example, in a coastal city, some enterprises used 68 percent of their taxable incomes to service their debt. The economic growth rate of this city remained a double-digit figure for many years and reached 26 percent in 1988.

Second, in the macroeconomic fields, we may find from China's Statistics Yearbook that beginning in 1981, the size of credit kept increasing every year at a rate greater than the economic growth rate. From 1981 to 1987, the GNP increased by 139 percent, but the total amount of credit issued by state-run banks increased by 227 percent and the proportion of credit to the GNP rose from 59.7 percent to 81.9 percent. At the same time, a particularly noticeable fact was that the proportion of loans for increasing fixed assets increased from 3.02 percent in 1981 to 14.25 percent in 1987 and 14.77 percent in 1988, and such loans accounted for 11.6 percent of the GNP. The total amount of such loans increased 15.4 times from 1981 to 1987. This was indeed too high a speed of increase.

On the other hand, we may view the issuance of currency. In 1984, the total amount of currency issued in the whole year was greater than the sum in the 30 years before reform began. The amount of currency issued in the period between 1985 and 1988 was twice as large as the sum of currency issued between 1949 and 1983.

So we have full reason to say that in the past 10 years, economic growth was mainly supported by the increase in credit, or at least credit increases constituted a weighty factor in economic growth.

A major advantage of such a growth model was that before sufficient economic strength was accumulated to support an economic take-off in society, it could promote the accumulation of the means of production, form certain production capacity and fixed assets, and create a condition for further economic development in the future. However, the weaknesses of this model also caused some serious problems, which were mainly as follows:

- 1) It was inevitably accompanied by a similar degree of inflation, because credit was increased without a material foundation.
- 2) It could only lead to extensive development, because enterprises could expand their production capacity so long as they achieved loans.
- 3) It inevitably led to low efficiency, poor results, and inferior technology. Investments were made, providing loans were available. So many projects were started at the same time without being well coordinated. People did not need to make original creations through hard work, and this made the technology market slack.
- 4) Being guided by the irrational price structure, no people were keen to produce raw materials and energy and to develop transport as these industries were less profitable. On the other hand, the production capacity of the processing and manufacturing industries became excessively large.
- 5) Products were inferior in quality and lacked competitiveness in international markets.

At present, the above-mentioned phenomena have appeared to various degrees. We must now pay sufficient attention to these problems and take measures to solve them.

The guiding idea should first be changed. Our economic growth can no longer follow the course of relying mainly on credit increases. In particular, enterprises should rely mainly on self-accumulation, self-development, and self-transformation in order to seek development. They will get nowhere if they rely mainly on contracting loans. In the course of adjustment and rectification, once credit is tightened, some enterprises even found it hard to maintain normal production. This fully exposed the weakness of their development model.

We must continue to firmly carry out the retrenchment policy. In my view, this is not only a policy we have to pursue in order to curb inflation, but also a positive policy for changing the economic growth model in our country.

There are some established objectives for the current economic adjustment and rectification. After the adjustment, will the old credit increment model of economic growth reappear? We must not allow the old disease to recur, because that will cause uncontrollable ups and downs in the national economy.

In the course of adjustment and rectification, we should create conditions for changing the credit increment model to a new economic growth model based on substantial accumulation. Therefore, we must make it plain that our current adjustment is not merely to cut down on investment and tighten money supply. Instead, we will change the economic growth model so as to ensure the sustained, stable, and harmonious development of our economy.

At present, we should strive to "slide down" smoothly and prevent ourselves from "jumping down" or even falling sharply. Our credit has swollen to a high degree, and many enterprises and localities are heavily in debt. How should we now step down from such a high "debt stage"? The best option is to slide down smoothly as the kindergarten children do in their playground, because this will be less risky. What can form a slide for us? The steady economic growth can be the best slide. So long as the economy continues to grow, we will be able to change the growth model smoothly. If the economy becomes stagnant, we will certainly fall painfully. This is a point of great importance, and must be properly handled.

Enterprises must get rid of the idea of relying on loans to seek development. They should make efforts to increase production through intensive rather than extensive development and should attach importance to making technological progress and improving their economic results. By doing so, they will really grow sturdy.

Production Safety Think Tank Established

OW0401044390 Beijing XINHUA Domestic Service
in Chinese 1016 GMT 28 Dec 89

[By RENMIN RIBAO reporter Gong Yantian (1562 1750 3944) and XINHUA reporter Zhao Mingliang (6392 2494 0081)]

[Text] Beijing, 28 Dec (XINHUA)—Pursuant to a decision made at a work meeting of the premier's office, a "think tank"—a group of experts—of the National Committee for Safety in Production was established in Beijing today.

State Councillor Zou Jiahua conferred certificates on 98 experts in various trades and industries, including railways, civil aviation, and mining.

Zou Jiahua said: The team of experts has been formed to better adhere to the guiding principle of "safety first, prevention first." Its task is to investigate major accidents and to assess major hazards.

Many countries, especially industrially developed countries, have independent agencies to look into accidents. In China, however, accidents have for years been investigated by makeshift investigation teams. As a result, conclusions of such investigation could hardly be objective, impartial, or scientific. Moreover, being temporary, the investigation barely had any preventative effect.

The establishment of the expert team signifies that China's production safety work is now on a new and scientific track. The team of experts, carefully chosen from various ministries and departments, will conduct scientific, authoritative, and objective investigation of major accidents. Under the authorization of the State Council, it will conduct safety assessment of major hidden perils in key departments and enterprises and draw up readjustment and prevention measures accordingly. It will also make accident prevention legislation proposals to the State Council as a basis for formulating production safety laws. At the same time, it will establish assessment standards and procedures.

Unemployment Increase Expected in 1990

HK0101092890 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1103 GMT 24 Dec 89

["The Number of Jobless People in China Will Increase Next Year"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing 24 Dec (ZHONGGUO TONGXUN SHE)—A senior official of China's Ministry of Labor says that in 1989 China entered upon a new peak of unemployment. If there are no down-to-earth measures taken, the unemployment rate is likely to break through 4 percent, the warning level, and may even reach 5 percent in 1990.

Zhang Zuojie [1728 1563 1569], director of the Department of Labor Administration and Employment under

the Ministry of Labor, has pointed out that by year-end 1989, the unemployment rate will break through the two percent level, which has been stabilized for 5 consecutive years, and will go up to 3.5 percent.

Zhang Zuojie believes that, on the one hand, improving the economic environment and rectifying the economic order will have to pay the price of raising the unemployment rate, with the surfacing of a large number of jobless people. That has been evidenced by the economic readjustment on several occasions in China's history. On the other, it is imperative to keep the unemployment rate at a proper ceiling; otherwise, a high unemployment rate will lead to social disturbances and difficulties for improvement and rectification.

Minister on Targets for Rural Enterprises

HK0901154190 Hong Kong MING PAO in Chinese
8 Jan 90 p 8

["Special Dispatch": "Minister of Agriculture Puts Forward Improvement and Rectification Targets for Township and Town Enterprises for the Next 2 Years"]

[Text] Beijing—Minister of Agriculture He Kang stated yesterday that China's township and town enterprises are currently at a historical turning point, that the situation over the next 2 years will remain severe, and that there will still be many restraining factors.

According to sources, a national work meeting for township and towns enterprises opened on 5 January in Beijing. He Kang pointed out at the meeting that the difficulties encountered by township and town enterprises are: First, the shortages of capital, energy, and raw materials will continue for a long time. So long as the rectification and improvement is in force, the state will adhere to a policy of tightening finance and credit. Township and town enterprises will continue to face a tough financial situation for a long time. Second, the market will continue to be weak and volatile, and forecasts will prove more difficult. Third, macroregulation and control will be further strengthened, the scope and proportions of mandatory planning will be appropriately expanded, and the proportion of state unified distribution of important materials will also be expanded. Township and town enterprises, which rely mainly on market regulation, will face new restraining factors in the areas of credit, materials, and markets.

On factors that may help overcome the difficulties, He Kang pointed out that China will not change its policy of developing township and town enterprises. Following a decade of development, the economic strength of township and town enterprises has greatly increased, and the relative quality of enterprises has greatly improved. Some experiences have been gained from last year's improvement and rectification drive and, as a result, there is now a clearer understanding of enterprises' advantages and failings, and targets and lines of thought for future development are more specific.

According to He Kang's revelations, the annual output value of township and town enterprises has on average increased threefold. At the end of 1988 there were close to 20 million township and town enterprises across the country, whose output value accounted for one-fourth of the 1988 gross industrial output value and half of peasants' incomes. According to Agricultural Ministry statistics, realized gross value of the output of township and town enterprises in 1989 was 753 billion yuan, a 15.9 percent or so increase over the previous year; of the 753 billion yuan, 518 billion yuan was realized gross value of industrial output, 14.4 percent more than the previous year. Foreign exchange earnings in export and foreign trade were about \$10 billion, and tax submitted to the state is expected to reach 36 billion yuan, 16 percent more than the previous year.

CPC leaders have praised township and town enterprises as "a new force charging suddenly to the fore" and "the greatest unexpected achievement." But the abnormal growth rate of township and town enterprises has brought about many negative developments. Hasty initiation, chaotic management, and backward technology have resulted in enormous wastage of energy and raw materials. Township and town enterprises have been badly hit by the economic improvement and rectification launched in recent years. Since the state designated last year as a year of zero growth for township and town enterprise loans, the banks have adopted the policy of recalling loans and issuing no more new loans, which has resulted in a drastic drop in the growth rate of township and town enterprises' output value. Meanwhile, the Ministry of Agriculture has stepped up the rectification of township and town enterprises, shutting down, merging, or changing the production of 3 million various enterprises, cutting or postponing nearly 20,000 projects at township and village levels, and reducing investment in capital construction by about 10 billion yuan.

He Kang stressed that the development of township and town enterprises must be resolutely switched to the path taking raising economic returns as the goal.

For that purpose, He Kang proposed an improvement and rectification drive this year and next, or perhaps a longer period. The major targets are: The growth rate of the output value of township and town enterprises should be adjusted to national economic development and stay within the bearing capacity of society. That is, the rate must be confined to 15 percent or so, of which the growth rate of town and township industries should account for no more than 10 percent or so. To increase effective supply, no effort should be spared in improving the processing industries for agriculture and sideline products, energy and raw material industries, foreign exchange-earning enterprises, and enterprises ancillary to large-scale industries. Enterprises which waste energy and raw materials, turn out poor products, or create serious pollution, and in which transformation is impossible, should be shut down, closed, merged, or changed to other kinds of production. Technological levels should be raised to strengthen enterprises' accumulation and

developmental capacity. The contracted responsibility system should be further stabilized and improved, and short-term behavior must be curtailed.

He Kang said one of the strategic measures in upholding reform and opening up and ensuring national modernization is boosting the foreign exchange-earning power of township and town enterprises. The responsive mechanism of township and town enterprises must be maintained and developed, and enterprises will be encouraged to open up the international market.

He Kang said the export mix must be rationally adjusted. While attention will be paid to developing labor-intensive production and the export of traditional handicrafts, efforts must be given to expanding the export of electromechanical products; raising the level and degree of textile-processing industries; actively developing high tech; exports of high added value; continuing to expand the economies of coastal regions and sharpening their technological advantages; developing export-oriented economies on a regional scale; working hard to improve the investment environment; developing "both ends abroad," "three forms of processing and compensation trade," and enterprises with "three types of enterprises with foreign capital"; improving the quality of exports and the efforts to fulfill contracts on schedule; fostering the concept of "the primary importance of quality and good will"; and strengthening the sense of the reputation of national foreign trade.

Further on 'Bumper Harvest Program' Results

OW0601013190 Beijing XINHUA Domestic Service
in Chinese 0855 GMT 2 Jan 90

[Text] Beijing, 2 Jan (XINHUA)—Three years ago, the Ministry of Agriculture and the Ministry of Finance sponsored a program that was aimed at achieving bumper returns from agriculture, animal husbandry, and fisheries. After implementing this program for 3 years, various localities have been able to tailor the measures to suit local conditions. They have relied on hundreds of thousands of scientific and technical personnel to apply advanced, practical, and comprehensive scientific and technological methods and thereby increase the production of grains, cotton, oil-bearing crops, animal products, poultry, aquatic products, and other major farm products on a large scale. It is estimated that such methods have helped to increase the total output value in these fields by more than 8 billion yuan.

The latest statistics indicate that over the 3 years in question, the area of farmland where the "bumper harvest program" was implemented and comprehensive scientific and technological methods were used to grow grains, cotton, and oil-bearing crops reached 300 million mu, the number of draft animals and poultry totaled 100 million, and the areas set aside for fish breeding reached 3 million mu. The "bumper harvest program" has attained excellent results. Over the past 3 years, an additional output of the following was recorded: 9,780 million kg of grains; 150 million kg of ginned cotton; 960

million kg of oil-bearing crops; 3,500 million kg of sugar; 340 million kg of vegetables; 9.91 million kg of fruits; 3.39 million kg of rubber; 204 million kg of meat, poultry, and eggs; 10.03 million kg of milk; and 118 million kg of fish, shrimp, and other aquatic products. According to one estimate, each yuan invested in the "bumper harvest program" will yield an 8 yuan return in terms of output value.

The "bumper harvest program," which has sought to achieve bumper returns in agriculture, animal husbandry, and fisheries, has developed rapidly over the past 3 years, showing the following major trends and tendencies:

—Both the scope and scale of the national "bumper harvest program" are expanding more and more rapidly each year. The role of this program in increasing production output and revenues is becoming increasingly clear. The breadth and depth of work in this regard is being further developed. The area of farmland where comprehensive technological methods are being used to grow grain, oil-bearing crops, and cotton has been increased from 42.5 million mu in 1987 to 189 million mu in 1989. The number of draft animals and poultry has increased from 17.33 million in 1987 to more than 50 million in 1989, and the area for the development of fisheries has been increased from 299,000 mu in 1987 to 464,000 mu in 1989. Over the past 3 years, the output of grain crops has increased from 1.9 billion kg to 4.4 billion kg; while that of ginned cotton has grown from 31 million kg to 50 million kg. The national "bumper harvest program" has helped to promote local "bumper harvest programs" in various provinces, prefectures (cities), and counties, as well as popularizing various types of agrotechnology, thus creating a network to implement this program at all levels. More than 21 provinces, autonomous regions, municipalities under the direct control of the central government, and cities with provincial-level economic decisionmaking authority—including Heilongjiang, Shandong, Hunan, Zhejiang, Sichuan, Tibet, Beijing, and Shenyang—have implemented provincial, autonomous regional, and municipal level "bumper harvest programs." Some prefectures and counties have also implemented their own local "bumper harvest programs" to promote agrotechnology.

—A system and standard for implementing the "bumper harvest program" have gradually been established. Over the past 3 years, a total of 62 projects have been developed for the implementation of the national "bumper harvest program." The Ministry of Agriculture has signed contracts with various provinces and autonomous regions, and various provinces and prefectures have signed contracts with counties. The number of such contracts totals more than 3,600. The Ministry of Agriculture also has worked out measures for establishing a "bumper harvest program" foundation, control of projects, verification of production figures, and a system of awarding "bumper harvest

prizes" in coordination with various financial departments, the Bank of Agriculture, and the China Association for Science and Technology. Specific rules and regulations have been worked out for loans and for the popularization of science. Detailed measures have been formulated in various localities for implementing the "bumper harvest program." A total of 386 projects have won "bumper harvest prizes" from various departments under the Ministry of Agriculture.

—Work to implement the "bumper harvest program" is being carried out firmly. Various departments involved in agriculture, animal husbandry, and fisheries regard the implementation of this "bumper harvest program" as an important measure in reaping a good harvest and as a target for implementing the management responsibility system. They have strengthened their leadership and made arrangements to resolve actual problems associated with popularizing agrotechnology. At the same time, the "bumper harvest program" has become a bonding agent for achieving close cooperation among various scientific research departments, educational institutions, and units which apply agrotechnology. The broad masses of scientists and technicians have been mobilized to go into the countryside to assist in the implementation of the "bumper harvest program." Over the past 3 years, more than 200,000 scientists and technicians have been mobilized in the country to render technical services and to teach various groups how to apply the findings of scientific and technological research to agriculture on a large scale.

—Technology has been linked with the supply of materials. There are more investments and materials available. Efforts have been made to achieve an optimum distribution of technical manpower, funds, and materials. The agricultural departments in various localities have strengthened their cooperation with various financial departments, Bank of Agriculture branches, and supply and marketing departments. They have also furnished funds and materials for popularizing agrotechnology and have made the best use of agricultural investments. According to preliminary statistics, over 1 billion yuan has been invested in this "bumper harvest program" by various financial departments, the Bank of Agriculture, and peasants. A total of 3.11 million tons of chemical fertilizer, 45,000 tons of plastic sheeting for agriculture, 43,000 tons of insecticide, and more than 30,000 sets of farm machinery have been invested in the program by supply and marketing departments.

Article Urges Strict Ideology for Enterprise Cadres

HK0201122990 Beijing RENMIN RIBAO in Chinese
15 Dec 89 p 6

Article by Kang Shien [1660 0013 1869]: "Strengthening the Revolutionary Building of the Leading Groups in Big and Medium-Sized Enterprises"

[Text] "The Resolution of the Central Committee of the CPC on Furthering Improvement and Rectification and

Deepening Reform", passed by the 5th Plenary Session of the 13th Central Committee, stressed a significant point: The role of big and medium-sized state enterprises as the mainstay, should be further brought into play. These enterprises are the backbone of the socialist modernization of our country, responsible for the bulk of socialist commodity production in the capacity of economic bodies on the one hand, and functioning as an important front of socialism on the other. Practice over many years has shown that to ensure a good building of big and medium-sized enterprises and a full play of their role, it is essential to have a leading group in each that is resolute in implementing the party lines and policies, and able to guide the masses to forge ahead in the right direction.

A good leading group should fulfill the requirement of "four optimizations" of cadres, i.e. youthfulness, intellectualization, professionalization and, as a prerequisite to the previous three, revolutionization. Comrade Deng Xiaoping remarked in 1980: "Under the prerequisite of adhering to the socialist road, we should optimize our cadre ranks so that they are younger in age, intellectualized and professionalized, and guarantee such optimizations by gradually perfecting cadre regulations. Rightfully on top of these three optimizations is revolutionization. This is why adhering to the socialist road should be taken as the prerequisite." Revolutionization and the remaining three are complementary to each other. Professionalization without revolutionization will pose problems for adherence to the socialist road and party leadership, and neglect of intellectualization and professionalization will make socialist modernization impossible. The world today is in an era of constant development in science and technology, and renovation in managerial knowledge. Leading groups should adjust themselves to this new situation. Only if they, under the prerequisite of revolutionization, command the technology and professionalism for socialist construction, learn the laws of economic development and carry on the reform and opening to the outside world, can they give freer rein to the advantage of socialist enterprises and fuller play to the master's spirit of the working class in managing their own affairs, and, as a result, create higher production and technical levels and labor productivity than capitalist enterprises.

Since the 3d Plenary Session of the 11th CPC Central Committee, party organizations at all levels have made the effort to select cadres in accordance with the requirement of the "four optimizations", and the general conditions in cadre ranks have consequently undergone a drastic change. Application of this policy has proved its soundness. However, it should not be overlooked that in recent years, because Comrade Zhao Ziyang weakened the party leadership and sapped the strength of political-ideological work, the revolutionization of leading groups has no longer been required in some enterprises. In the wake of the recent turmoil and counterrevolutionary rebellion, we are capable of a better understanding of the

extreme importance of sticking to the "four optimizations" of cadres and the priority position of revolutionization. This is a significant measure to ensure that our revolutionary cause passes on from generation to generation and that there is no deviating from the socialist road with Chinese national features.

To strengthen the revolutionary building of the leading groups in big and medium-sized enterprises, here are several problems that merit special attention:

First, leading groups should enhance their political quality. The key to this is the consistent adherence to the Four Basic Principles. A leading cadre should be absolutely unswerving in his basic belief and especially so at critical moments. This requires a firm stand and a clear understanding of the fact that the socialist system has great vitality and is definitely superior to the capitalist system, and it is an inexorable tendency that communism will eventually replace capitalism. The imperialist invasion of China more than 100 years ago, brought capitalism with it and China ended up in the miserable status of a colony and a semi-colony. This part of history has fully indicated that capitalism in China will get nowhere. The only way out is to follow the socialist road under the leadership of the CPC. The small handful of people who are keen on bourgeois liberalization and advocate so-called pluralism in the political system, liberalization in ideology, and privatization in economy, are actually attempting at an overall Westernization. Their doctrines will only cause turmoil disintegrating China and reducing it again to a dependency of some western capitalist countries. Socialism fully ensures the master's status and most extensive democratic rights of workers, farmers and intellectuals, and opens up the widest scope in order for people to give free rein to their initiative and creativity. This is where capitalism bears no comparison.

The recent political turmoil and counterrevolutionary rebellion were an acid test of the political quality of leading cadres at all levels. When a small number of people with ulterior motives were orchestrating student demonstrations and developing a turmoil, why did some of our comrades see nothing of their real intention and even go a step further to support them? Fundamentally speaking, this resulted from a wavering faith in Marxism and Leninism and fading awareness of class struggle. This is a thought-provoking lesson.

How can we enhance leading cadres' political quality? The most essential means is for them to work hard on Marxism, Leninism, Mao Zedong Thought and, particularly, philosophy in general. A Communist, especially when a leader, should have a sense of urgency and find time for a systematic study of the basic theories of Marxism and Leninism, and works by Comrade Mao Zedong and Comrade Deng Xiaoping. They should learn to apply viewpoints in dialectical materialism and historical materialism to the study of the domestic and international situation, as well as to their practical work. They should make historical and scientific comparisons

between the new and old societies, between different national conditions, between achievements in the socialist construction over the past 40 years since the founding of New China, and the centuries of development of the capitalist world. They would therefore understand the unparalleled superiority of socialism over capitalism in the long process of history, and believe that only socialism can save and make China develop. They should establish a scientific world outlook and hold fast to their proletarian stand through study, so that they can make correct observations and sensible analyses, and keep the right orientation in the intricate political struggles, consistently implement the policy of reform and opening to the outside world, and continue to develop socialist enterprises with Chinese national features.

Second, leading groups should cultivate a good ideological and moral character. To this end, what counts most is fostering the quality of selflessness and the willingness to serve the people whole-heartedly. How should a member of the leading group in an enterprise look at the value of life? The answer is that the value of life is realized by pioneering and enterprising endeavors, constant exploration and innovation and efforts to develop the enterprise so as to make maximum contribution to the country, the people and the socialist construction, and improve workers' livelihood as production progresses.

Regarding ideological and moral character, leading cadres must guard against several practices as explained below. First, never give too much thought to personal gains or losses nor place individual interests above the general interests of the party, the country and the masses. Second, never be conceited and complacent about any achievements in work nor turn a deaf ear to criticisms and different opinions. Third, never contend for a senior or superior status over others in the leading group. It is important, though, to be firm on matters concerning principle, not of personal interests. Fourth, never seek personal privileges. Leading cadres should be honest in carrying out their official duties and keep from personal privileges. They should always remember that they are Communists and must abide by the regulations of the organization and merge with the masses. They should consistently take part in the regular meetings of the party, exercise criticism and self-criticism and subject themselves to supervision by other party members and the masses. The newly promoted young leading cadres should be all the stricter with themselves. They should exert themselves on down-to-earth work and by so doing establish prestige, and win the trust of the masses instead of going in for ostentation and putting on airs.

At present, regulating the relationship between control by the party and administration in enterprises is a focus of general concern. These years, weakening the party leadership and sapping the strength of political-ideological work have undermined the party's prestige, and given rise to weak organization and ideological

confusion. For this reason, the Central Committee pronounced, after suppressing the turmoil and rebellion, that the party committees in enterprises should function as political nuclei therein. This, however, poses a new problem: A factory director is the core whereas the party committee is the nucleus. What then, is the solution to this problem? The determinant is that leading cadres with party membership should have a strong party spirit and an urge for unity so that they can handle the problem well in accordance with the principle of democratic centralism. The directorial responsibility system should continue and factory directors should take overall charge of the production management in enterprises, which is to meet the actual needs of today's large-scale production. Meanwhile, the political leadership by the party should also be strengthened. This will enable enterprises to stick to the socialist orientation and accomplish all their tasks. A Communist, be he the director or the secretary of the party committee, should pay attention to party spirit and general interests so that they will be cooperative and attach prime importance to the party's cause without getting lost in matters concerning level of authority. If party committees slacken their political leadership and their political-ideological work just because the directorial responsibility system is in effect, then they are showing their poor sense of responsibility and weak party spirit. On the contrary, a director who considers his authority reduced and no longer able to take charge as a result of the party committee's position as the political nucleus being strengthened also has a weak party spirit. It is wrong to either interpret the directorial responsibility system as empowering only one person to have the final say, or identify the strengthening of party's political leadership with the old practice of party committees monopolizing all decisionmaking. What Daqing Oil Field has done in this respect is pursuing "two-way respect" (i.e. factory director respecting party secretary as the head of the collective leadership of the party committee, and party secretary respecting factory director as the key figure in production management) and "three aspects of unity of will" (i.e. unity of will between party secretary and factory director, between control by the party and administration, and between leadership and the masses). This experience is of great value.

Third, leading cadres should learn correct methods of leadership. They should follow the mass line and it is what they choose as the priority of their work that counts. A wise leader would give prior consideration to manpower management and make painstaking efforts on building of working teams to upgrade the quality of working hands. In an enterprise there are various aspects of work that need attention and it is beyond the ability of a few leading cadres to take good care of them all. The leadership should be responsible for educating and organizing the masses and arousing them to action. The working class is the essential part in an enterprise. Therefore, enterprise leadership should adopt the principle of fully relying on the working class and give full play to the workers' initiative, enthusiasm and creativity

so that they can truly feel they are the master of the country, and the enterprises, and will conscientiously take great pains with production and enterprise management. This is an invincible force.

Fourth, leading cadres should carry forward the party's fine tradition, particularly the "three major styles of work." The tens of thousands of contradictions and problems that arise in the process of production in enterprises should undergo observations and analyses based on Marxist stand, viewpoints and methods. To this end, it is vital to adhere to the principle of seeking truth from facts, to pay attention to investigations and concrete analysis of concrete problems, and to learn to spot principal contradictions, so as to maximize the conformity between knowledge and reality and avoid subjectivism and metaphysical practice.

Leading cadres should avoid haughtiness and do some legwork among the masses to find out what they are doing and thinking about and help them overcome difficulties. They should establish close ties with the masses instead of adopting an insincere style of work by dictating to others while shutting themselves up in the office.

A good style of work should be cultivated from day to day, and tempered in practice. Extending the adoption of a good style of work can be achieved only when leading cadres set an example with their own conduct. Issuing orders will not help. They should be strict with themselves before making demands on others. In other words, they should be the first to do or not to do what they want the masses to do or not to do. If they are strict with others but lenient with themselves and show difference between what they say and what they do, there will be no strictness to speak of and the leadership will be discredited. When making strict demands, they should start from problems that are trivial and concrete, often met and in large quantity. Do guard against low standards, inveterate weaknesses, bad habits and other unhealthy tendencies.

Fifth, leading groups should have strategic insight and foresight. At a time when the reform is under way and especially when the contract system and directorial responsibility system linked to objectives within tenure are in effect, they should manage to avoid short-term operations that only cater to the immediate personal interests or those of a small group at the expense of national and long-term interests. Attention should be given not only to production commitment but also to long-term objectives. While making the first step, they should look ahead to the second and conceive the third. In the application and development of science and technology, they should pay attention to both applied scientific studies of immediate importance and research experiments for future benefits. When production of the first generation of certain products is under way, the second generation should be developed and the third researched. Only by doing so can enterprises fill themselves with vigor and vitality, and remain in an invincible position with high adaptability to changing circumstances.

Sixth, leading groups should have the hardy pioneering spirit. Under the new circumstances, the term "hard struggle" finds expression in the following respects. In ideology, leading cadres should be persevering. Because industry is virtually a process of struggling against the nature, they must adhere to a dialectical materialistic way of thinking, gradually master objective laws through repeated summing up experience and deepening understanding as phrased in the doctrine "practice, understanding, more practice, more understanding", and maintain the initiative in reforming the objective world. If they flinch from adverse conditions they will accomplish nothing. Perseverance is the only way to constant achievements. At work, they should make strenuous, conscientious and consistent efforts, and set high demands on themselves. They should never be slipshod and gloss things over, or feel contented with superficial knowledge and disinclined to get to the bottom of matters. In pursuit of their cause, they should have lofty aspirations and the ability to lead workers in arduous strivings, and have the courage to scale new heights in science and technology and show first-rate performance to challenge the advanced world levels. It is not the style of a Communist to flinch and become dispirited in the face of difficulties. Leading cadres should take the lead to live in austerity for several years from the present time on. In production and construction, they should calculate meticulously, repair the old, utilize discards, reduce cost and tap potentials. They should oppose squandering and extravagance, and firmly check the unhealthy practices of starting ill-budgeted projects, reducing cost at the expense of product quality and recklessly giving bonuses, which are all against the financial-economic discipline and relevant state regulations.

Improvement should be made in the workers' material and cultural life, but only in proportion to the development of production and the enhancement of labor productivity. Once beyond this limit, enterprises will not be able to continue their development and the state will also suffer losses. Always bear in mind that our country, which is not yet rich, has a population of 1.1 billion and everything should be done in conformity with this national condition. In these years, under the impact of intensified consumption mentality, some construction projects in enterprises have gone beyond the bounds of production development. It is wrong to seek luxury and splendor in welfare facilities when there is a serious shortage of production funds.

Leading cadres should be selected and trained to meet the requirement of the "four optimizations" in the spirit of the principle that the party takes control of cadres. The selection of leading cadres above middle level in big and medium-sized enterprises must be on the basis of discussions by party committees instead of any individual voice. Otherwise, the party spirit and sense of organization of the cadres with party membership will be weakened and even cases of personal attachment may occur, which is a strong cause for instability. It has to be realized that check-ups by the organization and discussion by the the party committee are less biased than a

personal opinion and may ward off many maladies in cadre selection. With the party's leadership and supervision, it is possible to ensure that only those with both ability and political integrity are selected. Furthermore, workers showing outstanding performance and specialists who have been tempered on the grass-roots level should be given special attention as candidates for cadres. Graduates fresh from universities should be organized to receive training on the front of production and scientific research so that their competence in practical work may be heightened, and empathy with the working class fostered. The outstanding ones among them should be promoted, step by step, to leading positions on different levels.

Inner Mongolia To Become Leading Energy Base

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[Report: "Inner Mongolia Has 100,000 Square Km of Underground Coal"]

[Text] Beijing, 29 Dec (ZHONGGUO XINWEN SHE)—The two large-sized open-face coal mines of Junggar and Huolinhe, priority construction projects of the state with a total investment of 4.1 billion yuan, and the energy industry of Inner Mongolia, dominated by the Dongsheng Coalfield, are developing on a striking scale and at an impressive pace. Inner Mongolia will become an important energy base of China.

Inner Mongolia, with 86 million hectares of grassland, has 100,000 square km of underground coal. The verified coal deposits have now reached 198.2 billion tons, accounting for 22.2 percent of the verified deposits in the country. With

a strategic shift in China's layout of energy industries from south to north and from east to west and the restructuring of the state's industrial mix, the central authorities have decided to take Inner Mongolia as one of the new energy bases to be developed and built up with increased speed. The state has six priority construction projects in that region, with a fixed investment of 7.3 billion yuan.

JINGJI RIBAO said here today that at present, the Junggar Open-face Coal Mine, the Huolinhe Open-face Coal Mine, and the Dongsheng Coalfield are being developed and built with stepped-up efforts. By 1992, the total coal production capacity of the whole autonomous region could reach more than 60 million tons, equivalent to 10 percent of total national coal production capacity in 1988. To guarantee that coal is transferred from the south and transported from the east, the 173-km Baoshen Railroad has been fully opened to traffic. The railroad from Jining to Tongliao, the longest local line on the mainland, will be put fully into operation in 1990.

The development of coal resources has stimulated the development of the power industry, with the Kangkou Power Station as its core. This year and next, an additional installed capacity of 1 million kilowatts can be obtained. During the Eighth 5-Year Plan, additional installed capacity of 3.5 million kilowatts can be created. Powerful electric current will then not only meet the internal needs of the region but also feed into the power grids of northeast China and north China. In addition, the region's oil resources are being tapped and developed with increased speed. This year, the state will invest 870 million yuan in the building of the Erlian Oilfield. There has now been basically created a crude oil production capacity of 1 million tons. By the middle of December, 300,000 tons of crude oil will have been exported.

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